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## **China**

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**FBI-CH-88-044**

**Weekly**

**6 March 1996**

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**March 1996**

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# Daily Report

## China

FBIS-CHI-96-044

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## General

### PRC: Foreign Ministry Spokesman Views Sino-UK Relations

OW0503104896 Beijing XINHUA in English  
1011 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China welcomes the decision of the British side to grant the bearers of the Hong Kong Special Administrative Region (HKSAR) passport visa-free access to Britain after 1997, said Chinese Foreign Ministry Spokesman Shen Guofang here this afternoon.

Shen made the remark at a press conference when asked to comment on Chinese Premier Li Peng's meeting with British Prime Minister John Major during the recent Asia-Europe Meeting and Major's announcement in Hong Kong that the holders of the future HKSAR passports would be granted visa-free access to Britain.

Shen said that during their meeting, Li and Major reviewed the progress made thus far by the two sides recently on improving bilateral relations and strengthening their cooperation on the issue of Hong Kong.

"We hope that the high-level contacts between China and Britain will help enhance their cooperation on the issue of Hong Kong and facilitate further improvement and development in their overall relationship," Shen noted.

"We welcome the decision of the British side to grant the bearers of HKSAR passport visa-free access to Britain after 1997," Shen said, adding, "The Chinese government attaches importance to the visa-free status of the HKSAR passport and has worked hard to make appropriate arrangements in conjunction with the countries concerned."

"We hope more countries will grant visa-free status to the HKSAR passport, as this will serve not only the interests of the residents of the future HKSAR but also the interests of these countries," the spokesman said.

### PRC: Spokesman Urges Blocking of Anti-China Clauses in U.S. Bill

OW0503104596 Beijing XINHUA in English  
0942 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China here today urges the U.S. Administration to take prompt and effective steps to block anti-China clauses in a bill from becoming law.

Chinese Foreign Ministry Spokesman Shen Guofang made the statement at a press conference when asked to comment on a unified version of the State Department Authorization, Reform and Foreign Assistance Bill

adopted by the Joint Conference of the U.S. Senate and the House of the Representatives.

"That bill contains many anti-China clauses which defy the norms governing international relations, violate the principles of the three Sino-U.S. Joint Communiqués, seriously undermine China's sovereignty and grossly interfere in China's internal affairs," Shen noted.

"The Chinese side is firmly opposed to it and has made solemn representations with the U.S. side," Shen told the press conference.

"We urge the U.S. Administration to state its clear opposition to it and take prompt and effective steps to block these anti-China clauses from becoming law, so as to forestall possible serious damage to Sino-U.S. relations," the spokesman said.

### PRC: Spokesman Comments on Readiness To Join WTO

BK0103134996 Bangkok Radio Thailand Network  
in Thai 1200 GMT 1 Mar 96

[Report by Arom Phithakphatsadu]

[FBIS Translated Text] Reporting on the points made by PRC Prime Minister Li Peng at the Asia-Europe Meeting, Chinese Foreign Ministry Spokesman Chen Jian said China has given thought to the development of cooperation between the two regions.

The following is a report by the Public Relations Department's correspondent:

[Begin correspondent recording] As for the current Asia-Europe meeting, Chinese Premier Li Peng thinks the current meeting will help promote cooperation between the two regions and forge closer relations between Asia and Europe. It will set the course for the development of economic cooperation, which is very important. Concerning the efforts to push for China's membership in the World Trade Organization—WTO—the Chinese Foreign Ministry spokesman said China is ready to join the WTO and will abide by its rules and regulations. He said the meeting also covered human rights, a discussion that was based on a spirit of friendship and mutual understanding. [end recording]

### PRC: Spokesman Calls WTO Membership Requirements 'Unreasonable'

OW0203064696 Hong Kong AFP in English  
0623 GMT 2 Mar 96

[FBIS Transcribed Text] Bangkok, March 2 (AFP) — China's ambition to join the World Trade Organisation (WTO) is being held back by "unreasonable" demands



inappropriate for its stage of development, a Chinese official said Saturday [2 March].

Obstacles to China's membership could be overcome once certain governments drop demands to classify China as a developed nation, Chinese Foreign Ministry spokesman Chen Jian told reporters.

"The main obstacle is that a few parties have made unreasonable requirements for China which exceed its level of development," Chen said.

Holding the emerging giant to higher standards than other developing countries was unfair, he said. The United States has demanded that China be classified as developed, which would entail more stringent standards for market opening.

"Some of the requirements cannot be filled by current members of the WTO so of course China cannot accept them," he added.

Chinese Premier Li Peng gave some details during a session of the Asia-EU Summit here on a new tariff structure as part of the country's reform efforts, he said.

Details of the tariff structure would be released later with the text of his address to the leaders, he added. Chen said Friday that both Britain and Germany had expressed support for China's WTO bid during the summit talks.

The news conference was held as participants prepared to wrap up the two-day summit, attended by leaders from 15 EU member states and 10 Asian countries.

#### **PRC: Jiang Zemin Receives UN General Assembly President**

*OW0403021896 Beijing XINHUA in English  
0206 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — Chinese President Jiang Zemin is at a meeting with Freitas Do Amaral, president of the 50th Session of the UN General Assembly, in the Great Hall of the People.

President Amaral, former Portuguese Deputy Prime Minister and Foreign Minister, is believed to attach importance to China's role in the United Nations. He told Chinese correspondents before leaving for China that "China is the main speaker of the needs and aspiration of the developing countries."

Cordial conversation between Jiang and Amaral, expected to focus on the international situation and reform of the United Nations, is still underway at the press time.

#### **PRC: Further on Jiang's Meeting With UN Assembly President**

*OW0403080696 Beijing XINHUA in English  
0741 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — Chinese President Jiang Zemin said today that China has always supported the United Nations in its activities for promoting peace and development, and that China stands for appropriate reform of the United Nations.

Jiang made the remarks at a meeting with Freitas Do Amaral, president of the 50th Session of the UN General Assembly, in the Great Hall of the People here.

Extending a welcome to Do Amaral on his first China trip, Jiang said the world is undergoing deep and complicated changes, with multi-polarization becoming increasingly conspicuous, economic factors becoming more outstanding in international affairs and the search for detente, co-operation and development becoming the main trend in the international situation.

Peace and development, which are complementary and closely integrated, remain the major tasks facing the world, Jiang said.

Last October Jiang attended the celebrations in New York marking the 50th anniversary of the founding of the United Nations, at which leaders of various countries gathered to review the past and look forward to the future while probing how to realize the historic mission of the United Nations. The celebrations, Jiang said, were of far-reaching significance for the peace and development of the whole of mankind in the 21st century.

Commenting on the role of the United Nations, Jiang said the UN has been playing a positive role in maintaining world peace, in realizing global de-colonization and in promoting development and co-operation among countries.

In the world today, featured by intertwined contradictions, it is more necessary than ever for the UN to play this role, Jiang said. To better adapt to the current situation and to accomplish the mission entrusted to it by the times, "it is necessary to conduct appropriate reforms in the UN, he noted, adding that the people of all countries hope that the UN will make even greater contributions for a more splendid world in the next century under the principles prescribed in the UN Charter.

China, as one of the permanent members of the UN Security Council and a developing country, has played an important role in the international and UN affairs, Do Amaral said. He also briefed the Chinese president on UN reform.

Amaral arrived here last Saturday [2 March] to start his official China trip. During his stay he has had talks with Chinese Vice- Foreign Minister Li Zhaoxing and exchanged views on UN reform and the financial crisis in the UN.

**PRC: UN Assembly President on Beijing's  
'Important' UN Role**

OW0103005596 Beijing XINHUA in English  
1725 GMT 29 Feb 96

[FBIS Transcribed Text] United Nations, February 29 (XINHUA) — China, the voice of developing countries, plays an important role in the United Nations, said Diogo Freitas Do Amaral, president of the 50th Session of the United Nations General Assembly.

During an interview with Chinese correspondents Wednesday [28 February], the former Portuguese vice prime minister and foreign minister said that as president of the General Assembly, "I admire and appreciate very much the positive and constructive role China has played and usually plays here in the United Nations."

"It (China) is one of the biggest countries in the world; it is a permanent member of the Security Council with the special responsibility for keeping peace; it is a country which is developing very fast and which knows and feels the problems of the developing countries," he said.

Therefore, "China is the main speaker for the needs, aspirations and goals of developing countries," he said.

At the invitation of the Chinese government, Do Amaral will visit China from March 3 to 5.

He said that he had two objectives during the visit to China. "One is to know the country, to hear from the Chinese authorities what they think about the United Nations, the state of the world and the Chinese foreign policy, so that I would be better informed. The second objective is to inform by myself the Chinese authorities about the process of the reform of the United Nations that is taking place nowadays here in New York."

When asked about the so-called "Taiwan representation" in the United Nations, he said Resolution 2758 of the General Assembly in 1978 represents the position of the United Nations and he agreed to Secretary-General Butrus Butrus-Ghali's reiteration of the position.

**PRC: XINHUA Hails China's Stand on UN's Haiti  
Mission**

OW0103184196 Beijing XINHUA Domestic Service  
in Chinese 1601 GMT 1 Mar 96

[Commentary by Xia Zhaolong (1115 0340 7893):  
"Victory of Upholding Principle"]

[FBIS Translated Text] UN, 29 Feb (XINHUA) — After difficult consultations, 15 members of the UN Security Council finally adopted a resolution on 29

February extending for the last time the term of the UN special mission to Haiti by four months and reducing the number of people of the mission to less than 1,500.

The UN Security Council's decision is in line with the principle of the United Nations' peace-keeping mission and the current actual situation of the Haiti's domestic peace process; therefore, the decision was widely welcomed by delegates to the meeting. The Chinese delegation's principled stand and flexible attitude at the consultations once again attracted the attention of the diplomatic and press circles here.

The initial draft resolution submitted to the Security Council planned to maintain the number of people of the special mission at about 2,200 and to extend its term by six months. The primary reason cited in the initial draft resolution was that Haiti's "current social order is fragile." Chinese delegate argued that the task of the UN special mission to Haiti, whose mission is to restore order, had been fulfilled, and that Haiti has entered a period of economic reconstruction. At the same time, considering some Latin American nations' views and other factors, the Chinese delegate proposed that not more than 1,500 people of the UN special mission be maintained in Haiti and that the mission's term be extended by four months.

At the beginning, certain major Western countries were unwilling to consider China's opinion and attempted to force the original draft resolution through. However, the Chinese delegate upheld principle and refused to make the least concession. So, the current resolution, which is more in line with Haiti's actual situation, was finally adopted.

When the Security Council formally met to deliberate on the resolution, reporters from various countries covering the news flooded around the television set outside the conference hall. After hearing Chinese delegate Ambassador Qin Huasun's speech, a reporter from Latin America said in praise: "China upholds principle and justice on major issues; this once again demonstrates the important role it plays in international affairs."

**PRC: China's UN Vote on Haiti Shows 'Principles,  
Flexibility'**

OW0303002496 Beijing ZHONGGUO XINWEN SHE  
in English 0507 GMT 1 Mar 96

[FBIS Transcribed Text] New York, February 29 (CNS) — With China voting in favour of the United Nations' continuous military deployment in Haiti, the UN Security Council has extended by four months the presence of the peace keeping force in Haiti but with a reduced deployment of a maximum of 1,200 troops.



The Chinese delegation held that with the help of the United Nations and the international community, peace in Haiti has seen a new dawn. This especially so in the light of the completion of the Presidential and the Legislative Assembly elections and the assumption of office by the new President. Since order resumes, what lies ahead of the Haitian Government is re-development of the country. As far as a long term peace for Haiti is concerned, the international community can only provide a supporting role. The UN troops should withdraw from Haiti on time, especially if beset by financial problems.

However, after considering of UN Secretary-General Butrus Butrus-Ghali's recommendation, the Haitian Government's request and the attitude of the Non-Aligned and Latin American countries, China revised its original position to support an extension of four months with a force of no more than 1,500. After lengthy debate, China's motion was passed.

China's adherence to principles and flexibility has been hailed by the international community.

Chinese permanent representative in UN, Qin Huaxun, said that "China holds the peace process in Haiti as important. We have always supported the efforts to restore peace and stability in Haiti on the part of Mr. Boutros-Ghali, the American nations and the UN peace troops on the ground. We sincerely hope the people of Haiti will soon enjoy better times."

**PRC: RENMIN RIBAO Editorial Hails Success of ASEM Meeting**

OW0303043896 Beijing XINHUA in English  
0257 GMT 3 Mar 96

[FBIS Transcribed Text] Beijing, March 3 (XINHUA) — The People's Daily [RENMIN RIBAO] published an editorial today to hail the success of the first Asia-Europe Meeting (ASEM) held on March 1-2 in Bangkok, Thailand.

The article said that the ASEM, held during a time of profound global changes, an overhauling of international relations and the trend toward multipolarity, has drawn up the framework for the future relationship between Asia and Europe.

The meeting, attended by 10 Asian and 15 European leaders as well as the president of the European Commission, released a Chairman's Statement after participants had exchanged views on various issues of common concern.

Participants stressed that political dialog between the two regions should be conducted on the basis of mutual

respect, equality and nonintervention in each other's internal affairs.

The People's Daily article rated the continual strengthening of economic ties between Asian and European countries as the basis of a sound Asia-Europe partnership for greater growth in the coming century.

It said participants at the Bangkok meeting agreed that there is a tremendous potential for cooperation thanks to the fact that both the Asian and European economies are dynamic and diversified.

The editorial hailed the ASEM as a historic event which had helped participants to deepen mutual understanding, reach consensus, establish mutual trust, boost further cooperation and map out the future of the two regions.

The meeting is of great import in its efforts to encourage the states and peoples of the two regions to maintain international peace and promote higher growth, it said.

Chinese Premier Li Peng, the article said, made a well-received speech in Bangkok by emphasizing that the new Asia-Europe partnership should be forged on the basis of respecting and treating each other as equals, seeking common ground while reserving differences, drawing upon one another's experience, strengthening exchanges, establishing mutual trust, offering reciprocity and benefiting from each other's strengths.

The Chinese premier said that disparities still prevailed both between regions and among states and that each region and state had its own strengths and weaknesses.

All should strive for peaceful coexistence by seeking common ground and resolving differences through peaceful means, the newspaper quoted Li as saying.

In meetings with leaders from Thailand, Indonesia, the Philippines, Vietnam, Singapore, Japan, South Korea, France, Germany, Britain and the European Commission, the Chinese premier made it clear that China is concentrating on economic construction and therefore needed long-term global stability.

Li Peng said that both the Chinese government and people sincerely hope to cooperate with all Asian and European countries on the basis of peaceful coexistence and to contribute toward a bright future for Asia, Europe and the world.



## United States & Canada

### PRC: Article Scorns U.S. Strategy of 'Ambiguity'

HK0503094496 Hong Kong WEN WEI PO in Chinese  
1 Mar 96 p 6

[Article from "Forum" column by Yu Jan (6735 3544):  
"On U.S. Strategy of 'Ambiguity' Toward China"]

[PTS Translated Text for FBIS] Recently, persons at the top echelons in the United States have frequently delivered speeches on the Taiwan Strait situation. Obviously, it was out of some intention that they chose to open their mouths on the eve of Taiwan's "presidential" election in the wake of a series of war games by the Chinese People's Liberation Army [PLA].

Because of the tense situation in cross-strait relations resulting from Li Teng-hui's visit to the United States, the Chinese people have demonstrated their will and ability to safeguard state sovereignty and territorial integrity through military exercises, which, beyond doubt, were a telling blow at "Taiwan independence" forces. Inside Taiwan, waves of opposition to "Taiwan independence" rose one after another, and Li Teng-hui's reputation has fallen somewhat, with his true face of "fake reunification, genuine independence" being increasingly exposed with each passing day. Such a situation has posed a threat to his "presidential" campaign. The United States has all along enthusiastically supported Li Teng-hui's pursuit of "Taiwan independence"; however, viewing the fact that the electoral situation is not helpful to "Taiwan independence" elements, lest the continuous PLA war games and other related actions of Beijing should result in a still greater blow at "Taiwan independence" forces, they hastily came forth and made irresponsible remarks, saying that the United States showed great "concern" about the situation over the Taiwan Strait and would not stand by with folded arms; should Beijing resort to force against Taiwan, the United States would intervene. They even clamored that U.S. conventional forces surpassed their Chinese counterparts, and hinted that should a Sino-U.S. war break out because of the Taiwan issue, the United States would win. To boil down their speeches to one point, it was precisely to threaten China to refrain from resorting to force against Taiwan and stop conducting military exercises near the Taiwan Strait. That would be conducive to Li Teng-hui running for president in the immediate future, and to the expansion of "Taiwan independence" forces in the long run, so that "two Chinas" or "one China, one Taiwan" might acquire space for subsistence for a long time.

U.S. politicians surely knew that their delivering such speeches would only anger China and that the Chinese Government would not be frightened off. However, U.S. politicians have a clear picture that China is a

permanent member of the UN Security Council and that it plays a decisive role in international affairs. Should Sino-U.S. relations turn sour, it would damage Sino-U.S. trade, and it would by no means be helpful to the United States in conducting international diplomatic activities; in particular, the position and role of the United States would be greatly reduced. On the one hand, the United States wants to take advantage of the Taiwan issue to contain [qian zhi 3677 0455] China and support the illegitimate activities of "Taiwan independence," but on the other hand, it claims that it "attaches great importance" to Sino-U.S. relations and seeks "improvement" in bilateral relations. On the one hand, the United States has never stopped providing military aid to Taiwan, and even included Taiwan in its "sphere of protection"; on the other, it has expressed the hope that the two sides of the Taiwan Strait would settle their disputes through peaceful means to realize reunification of the country. The United States has repeatedly granted entry visas to Taiwan's "president" and "vice president," thus openly creating "two Chinas" and violating the principle of the normalization of Sino-U.S. diplomatic relations; on the other, it states that the United States recognizes only one China, that Taiwan is part of Chinese territory, and that the United States will continue to maintain non-governmental relations with Taiwan. On the one hand, the United States opposes Beijing resorting to force against Taiwan when necessary; on the other, it says the United States will stop Taiwan's political provocation against the mainland. Such "double-faced" tactics can be said to be a strategy of "ambiguity" [mo ling liang ke 2875 2789 0357 0668]. Obviously, the U.S. Government has landed in an abnormal state characterized by failing to validate its statements. With regard to its policy toward China, the U.S. Government wishes to gain something while avoiding other things. It always takes advantage of loopholes on matters of principle, but China will never go for it. Recently, because certain U.S. perverse actions [ni fan xing dong 6627 0646 5887 0520] against China have harmed [sun hai] Sino-U.S. relations, the United States has expressed the hope for more high-level Sino-U.S. contacts to strengthen communication. If they really want talks to settle disputes, then why should they have made indiscreet remarks on the Taiwan issue, which is purely China's domestic affair, and created tension in Sino-U.S. relations? If the United States really hopes for China to realize peaceful reunification with Taiwan, it must stop giving military aid to Taiwan, stop supporting "Taiwan independence" forces, and stop creating "two Chinas" or "one China, one Taiwan." If the United States genuinely hopes to improve Sino-U.S. relations, it must stop intervening in the Taiwan issue and violating the agreement on the normalization of

Sino-U.S. relations. History over the years has proved that whenever the United States intervened in Taiwan affairs, Sino-U.S. relations would suffer, and cross-strait relations would grow tense.

"Taiwan independence" forces have run rampant recently on account of support from foreign forces headed by the United States. Over the past month, U.S. senior officials have made one speech after another to intervene in affairs between the two shores of the Taiwan Strait. Li Teng-hui immediately understood, became all the more arrogant, and kept saying that he "has no fear for the Mainland attacking Taiwan" while openly asking the United States to intervene in the Taiwan issue. In actual fact, Li Teng-hui is playing the jackal to the tiger, opening the door to a dangerous foe, depending on foreigners. Beyond doubt, without the backing of foreign influences, "Taiwan independence" forces would have no support and consequently would not be so arrogant. Therefore, we can see that foreign forces invading Taiwan, and Taiwan pursuing independence, are in fact two sides of a coin. Under today's historical conditions, the foreign invasion in Taiwan must rely on "Taiwan independence" forces, and the expansion of "Taiwan independence" forces must seek foreign assistance. The collusion of those two forces became the root of the tense situation over the Taiwan Strait. The Chinese people will never turn a blind eye to this, for it involves the sovereignty of the state and a cardinal principle of the nation, and there is room for bargaining. Can there be anything more serious than splitting the country? The United States is always counting on Taiwan and ready to make trouble, trying to sound out the reaction of the Chinese side and learn its real conditions, but the U.S. side will fare worse and worse for all its scheming. It is advisable for them to behave to avoid making a fool of themselves. Li Teng-hui has underestimated the strength of the Chinese people, while pinning the hope of "Taiwan independence" on foreigners who bully the weak and fear the strong, fully revealing his servile behavior! However, this cannot conceal his weak nature. No matter who takes office from now on, Taiwan remains a region of China, and Taiwan's political power is purely a local political power. The more rampant "Taiwan independence" grows, the stronger the blows at it, and the closer the day of its perishing. This is historical dialectics that no one can change. The U.S. strategy of "ambiguity" toward China is out of accord with the times, and it will never work!

## Near East & South Asia

### PRC: Qian Qichen Receives Sudanese Foreign Minister

OW0403093396 Beijing XINHUA in English  
0749 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen met with visiting Sudanese Foreign Minister 'Ali 'Uthman Muhammad Taha here today.

Taha, as a special envoy from President al-Bashir of Sudan, presented Qian with a letter from the Sudanese president to Chinese President Jiang Zemin. He also briefed Qian on the situation in his country.

Qian was quoted by a Chinese Foreign Ministry official as saying that the Chinese government attaches great importance to developing friendly relations and mutually-beneficial co-operation in various fields with Sudan.

Qian said the "successful visit" to China by President al-Bashir last September further promoted the development of the friendly relations and co-operation between the two countries.

On the situation in the northeastern part of Africa, Qian said China sincerely hopes that all parties in the region would respect each other and not interfere in each other's internal affairs.

He called on the relevant parties to take a "calm, refrained and realistic attitude" and establish genuine good-neighborly ties through dialogues and friendly consultations so as to maintain regional stability and facilitate economic development in the region.

According to the official, Qian also called on Sudan to take "practical measures" and enhance co-operation with the parties concerned in order to "cool down" and finally resolve the existing problems.

Taha and his party arrived here Saturday [2 March].

### PRC: Bangladesh, China Sign Accord To Avoid Double Taxation

OW0303061796 Beijing XINHUA in English  
0523 GMT 3 Mar 96

[FBIS Transcribed Text] Dhaka, March 3 (XINHUA) — Bangladesh and China have signed an agreement to avoid double taxation.

The agreement was signed here Saturday [2 March] by officials from the Bangladeshi National Board of Revenue and the Chinese State Administration of Taxation.

The document contains provisions for avoiding complexities relating to income tax and other allied taxes on income and investment of the nationals of both countries.

Bangladeshi officials hoped that the implementation of the agreement will pave the way for increasing Chinese investment in different industrial sectors of Bangladesh.

**PRC: Further on Investment Accord Signed With Saudi Arabia**

*OW0403115596 Beijing XINHUA Hong Kong Service in Chinese 0911 GMT 29 Feb 96*

[FBIS Translated Text] Beijing, 29 Feb (XINHUA) — Minister of Foreign Trade and Economic Cooperation Wu Yi and Saudi Arabian Finance Secretary 'Ibrahim Bin-'Abd-al-'Aziz al-'Assaf signed here an agreement today to encourage and protect investment in each other's country. They also signed minutes for the first meeting of the economic, trade, investment, and technology mixed committee.

The two countries' investment protection agreement gives most-favored-nation treatment to each other's investment, facilitates relevant working personnel to obtain visas, work permits, and to gain entry, and guarantees investors' investment and free remittance of profits; it also provides international arbitration of investment related disputes.

Today, the two countries also signed a memorandum of understanding on scientific and technological cooperation.

**West Europe**

**PRC: NPC Vice Chairman Meets Finnish Officials  
4 Mar**

*OW0403160996 Beijing XINHUA in English  
1310 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — The Vice-Chairman of the Chinese National People's Congress Standing Committee, Wang Bingqian, met a delegation in Beijing today from the Transport and Communications Committee of the Finnish parliament, led by its Chairman Pauli Saapunki (name as received).

During its current tour of China, the delegation aims to learn more about China's communications systems and railway network, hopefully leading to co-operation between the two countries.

During the meeting, Wang said that despite rapid growth, China's communications and railway transportation system needed further development to meet the demands of progress.

China, while mainly self-dependent in rail and communications, is willing to co-operate with other countries, including Finland, in those fields, he added.



## NPC

**PRC: Daily Previews NPC, CPPCC Sessions (Part 1)**

*HK0403102896 Hong Kong WEN WEI PO in Chinese  
23 Feb 96 p A2*

[Special article by Chen Feng (7115 7364): "Two Meetings Will Seek Balanced, Steady Development—Series on Prospects for Beijing's 'Two Meetings' (Part 1)"]

[PTS Translated Text for FBIS] Although the post of deputy chairman of the National People's Congress [NPC] Standing Committee has fallen vacant because of the murder of Li Peiyao [2621 3099 3852], and although some ministers are in "overage service," authoritative sources confirm that the "two meetings" will not see major personnel reshuffles. While there has been some personnel "fine tuning" this year, including the removal of Zhu Senlin (governor of Guangdong), Jiang Enzhu (vice minister of foreign affairs), Jiang Xianjin (vice minister of public security), and Hu Ping (head of the Special Economic Zones Office under the State Council), the personnel arrangements for moving into the next century will likely only be revealed at the 15th CPC Party Congress in 1997. Thus, economic topics will be the main focus of the "two meetings" this spring.

**Giving Prominence to General Secretary's Administrative Ideas**

What is different from the case at the last NPC is that the main element of this government work report will be the five-year plan. From the initial drafting to the putting forward of the "Proposal" by the Fifth Plenary Session, from last spring to this spring, this five-year plan and the long-term program for 2010 have gone through a course in Zhongnanhai extending for one and a half years. When these plans are opened for discussion at the two meetings, people will already be quite familiar with much of the terminology. It is quite clear that the government work report will be consistent with the general principles of the CPC's "Proposal" and that there will not be any further major revisions. The overall keynote will still be the realization of the "two essential switches." However, the details of the report are still being revised, and Li Peng and the State Council "group" including drafter Wang Mengkui [3769 1125 1145] will still be widely collecting opinions from all sides before and after the Spring Festival. At the same time, at a plenary meeting of the State Council, Li Peng stressed: The report gives prominence to the strategies of using education in science and technology to make the country prosperous and achieving sustainable development, strengthening the building of a democratic legal sys-

tem, and strengthening the comprehensive management of social order. On these issues the official media has given detailed reports. It appears that the report will further stress the implementation of the strategy of using education in science and technology to make the country prosperous and the strategy of sustainable development while realizing the "two essential switches." It will also further stress the need, at the same time as developing the economy, to strengthen the building of spiritual civilization, a democratic legal system, and comprehensive management of social order. In other words, in China's political and economic plans, "Jiang as the core" will be further seeking balanced and stable development. Especially this year, which is the first year of the Ninth Five-Year Plan, the highest authorities have repeatedly emphasized "stressing politics" and given more prominence to the administrative ideas of the general secretary.

The middle road of balance and stability has its origins in two macroeconomic backdrops. The first is that China is now in a period of major social change. There are many problems, pressures are daily increasing, and the economy is facing a new round of economic heating. If stable economic growth is not maintained and efforts are not made to avoid large fluctuations, the results will be very worrisome. How to maintain balanced and stable development has become a major topic for the two meetings.

**Actual Economic Pressure Is Certainly Not Light**

What has drawn people's attention is the fact that because the implementation of macroeconomic regulation and control relies to a very large degree on the administrative power of the central government, the contradictions between this and the new economic growth modes that are now being established will become more prominent. Further, more wide-ranging reform of the economic and social systems will also be subject to dual pressures concurrently. On the one hand there will be pressure from the target of stability, while on the other hand there will be the pressure of trying to alleviate social contradictions and readjust social relationships. The actual economic pressure is also far from light. The commodity price index is still at the high level of 14.8 percent and inflation is still threatening the Chinese economy. The five trillion yuan of projects under construction constitute a load that the country is unable to bear. Industrial growth is still racing along at 14 percent, while economic performance is not good. Broadly speaking, money supply is growing annually at close to 30 percent, and the volume of supply is far from low. Agriculture has been wavering for six years, as China has entered the middle stage of industrialization

when agricultural development is most difficult. There has been a sharp decline in cultivated land, the ecosystem has seen deterioration, and the peasants' burden has become heavier.

The second backdrop is that the development of some pressing political, economic, and social problems will directly affect political and social stability. In contrast to the speedy development of the economy, spiritual civilization has lagged behind and this has produced problems, but they have previously not been as prominent as they are today. The murder of Li Peiyao at the beginning of the year showed that the social order problem has deteriorated to a shocking degree. Prior to the Spring Festival, Tie Ying, the deputy head of the Beijing Municipal People's Congress Standing Committee, was removed from her post for accepting bribes. This meant that the shock waves of high-level corruption in Beijing Municipality which began with the Wang Baosen case have continued for over a year. In the new year, apart from continuing to vigorously handle a number of major and serious cases, officials will earnestly engage in the building of systems. The demands for increased legal effectiveness and administrative jurisdiction have become increasingly strong; the need to resolve major problems in building the legal system and building a system of democratic politics has become daily more pressing; in the face of complex social problems, it has also become increasingly important that the efficacy of rational administrative management be improved.

### Two Major Orientations of Macro-Policies

Proceeding from the two backdrops mentioned above, the decisionmaking level in Zhongnanhai has formulated the political and economic policies for this year. In this, the two major orientations of the macro-policies are: Holding down inflation and promoting the "two switches"; and implementing gradual reform and the strategies of using education in science and technology to make the country prosperous and achieving sustainable development. Macroeconomic policies must be subordinated to and serve these strategies. Throughout the entire Ninth Five-Year Plan period, it will be necessary to uphold a certain degree of tight financial policies. This year, while maintaining tight operations, it will be necessary to put efforts into gradually moving toward a "soft takeoff." In another respect, the building of the legal system and of spiritual civilization will be strengthened. A major topic of the sixth plenary session will be the building of spiritual civilization. Jiang Zemin has required that high-level officials "stress politics" to raise the political quality of the senior officials and their capacity to respond to complex situations.

The key to the problems lies no longer in "swift" or "slow" or in "tight" or "relaxed." Neither is it in whether targets are high or low. Rather, it lies in seeking balanced, stable development which is in accord with the national conditions and national strengths. A policy of appropriate tightness will not reduce overall volume in the economy. This year, the absolute volumes of all economic indicators are increasing. What is being reduced is just the degree of growth. In another respect, at an overall level, the innate relationship between reform, development, and stability is something which Jiang Zemin has always upheld as a policy for administering the country in the nearly seven years since he entered Zhongnanhai. It is not difficult to see the deep-going significance of him considering the relationship between these three as the most important of the "Twelve Major Relationships." It is believed that the government work report by Premier Li Peng will also give quite a bit of space to this issue.

### PRC: Daily Previews NPC, CPPCC Sessions (Part 2)

HK0403104296 Hong Kong WEN WEI PO in Chinese  
24 Feb 96 p A2

["Special article" by Yu Zhi (6735 0037): "'Focusing on Large Enterprises and Allowing Small Enterprises Flexibility': How To Make Breakthroughs in State Enterprise Reform—Series on Prospects for Beijing's 'Two Meetings' (Part 2)"]

[PTS Translated Text for FBIS] Information from an authoritative department indicates that enterprise reform will become a hot topic for discussion for the Fourth Session of the Eighth National People's Congress (NPC) due to open early next month. Premier Li Peng will put emphasis on enterprise reform in his report entitled "Report on the Outline of the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2010." China will reportedly "focus on large enterprises and allow small enterprises flexibility" to make a breakthrough and substantial progress in enterprise reform this year or even the entire Ninth Five-Year Plan period.

### Fifth Plenary Session Set the Guideline

As a matter of fact, China's state enterprises have suffered great losses and their operations have been handicapped by debt for ingrained historical reasons. Heavy debt chains have created numerous difficulties for enterprises, making it hardly possible for them to make rapid progress or a new breakthrough in the reform. Hence, enterprise reform has become a hard nut to crack in the overall economic restructuring and given the CPC a headache. Last summer Jiang



Zemin personally went down to large and medium state enterprises in Shanghai and northeast China to conduct investigations and studies in a bid to find out an "efficient solution" for failing enterprises.

Through arduous explorations, the guideline was finally laid down at the Fifth Plenary Session of the 14th CPC Central Committee held in September last year as follows: Enlivening large enterprises with stress being placed on a few key enterprises, and allowing small enterprises flexibility while giving a free hand to the majority of enterprises, a guideline known as "focusing on large enterprises and allowing small enterprises flexibility" for short.

#### **1,000 Enterprises Were Selected To Launch the Pilot Project**

Vice Premier Wu Bangguo said that in the future enterprise reform, structural adjustment should be taken as an important link for promoting the shift of the economic growth model and for raising economic efficiency. It is necessary to concentrate funds in key projects and raise the funds-use rate. Enterprise reform should be organically combined with structural adjustment to optimize stock assets so that enterprise reform will proceed in a sound way, he added.

China's state enterprise reform is being vigorously pushed forward along the above guideline. The State Economic and Trade Commission has selected 1,000 large enterprises to launch the pilot project. Of these enterprises, 878 are industrial enterprises. Roughly speaking, these enterprises can be grouped into three categories. A total of 300 enterprises fall under the first category. These enterprises operate in a normal way, enjoy great financial strength and satisfactory economic efficiency, and have a reasonable average assets-liability rate. The second category comprises 400 enterprises. They operate normally and enjoy fairly great financial strength and fairly good economic efficiency, but their assets-liability rate is on the high side. The remaining 178 enterprises belong to the third category. These enterprises face many difficulties, but they are essential to the national economy and people's livelihood.

In light of different conditions of the 1,000 enterprises, the relevant state department has come up with the principle of "giving different guidance to suit different conditions and focusing on key points." For the first category, favorable measures were taken to further increase their strength and the strategy applicable to large companies and groups was introduced. For the second category of enterprises, technical transformation was accelerated, management improved, and funds increased and debts reduced in various ways to create conditions for them to enter fair market competition.

For the third category, a diagnosis was meticulously made, comprehensive measures taken, and necessary preferential policies adopted.

#### **Emphasis Will Be Placed on "The Largest Enterprises Among the Large Ones"**

The authoritative source said the government will focus on the first category of enterprises, which number 300, this year, because they are "the largest enterprises among the large ones." First, efforts will be made to properly "separate and regroup" [fen li fen liu 0433 4418 0433 3177] these enterprises and lighten their social burdens. Second, problems concerning the enterprise's accumulation and development will be gradually solved in two ways: One, the enterprise's assets will be depreciated, funds for developing new products and overhaul increased, and the enterprise's self-accumulation and self-development mechanism gradually improved. Two, various channels for raising funds for enterprises will be explored. Third, large enterprises will be encouraged to set up scientific and technological development centers and to build a close link with academic and research institutes to enhance their capacity to make technical renovations and to master new technology.

Decentralizing the remaining medium and small enterprises in various forms so that they will become new points of growth in economic development is another major issue for enterprise reform. Chen Guang, secretary of the Zhucheng City CPC Committee, Shandong, sold out 95 percent of state-owned and collective enterprises in the city. The small enterprises each came to life in no time after ownership change and made profits. Zhucheng's successful experience created a way out for the reform of small enterprises and gave the Beijing hierarchy a shock. Since small enterprises make up 99 percent of China's industrial enterprises and take on 75 percent of the work force, allowing small enterprises flexibility will become an important way out for state enterprises.

#### **Reform of Small Enterprises Does Not Mean the Government Has Nothing To Do After Allowing Them Flexibility or Selling Them**

The Beijing authoritative source pointed out that it is necessary to strengthen leadership in allowing small enterprises flexibility. Instead of leaving them alone after allowing them flexibility or selling them, the government must ensure that the value of state assets be preserved and increased. State assistance is essential to enterprise reform, but enterprises must make vigorous efforts to get out of the red, improve their internal management, make use of the mechanism of allowing



the best to survive, accelerate the process of merger and bankruptcy, and focus on developing productive forces. In the final analysis, enterprises must develop on their own, the source added.

Apart from putting the above guideline into effect, efforts will be made to introduce the modern enterprise system through pilot projects so that enterprise reform will be actually fulfilled. The separation of government functions and enterprise management also constitutes an important link. A number of ministries and commissions under the State Council have scored success in this respect. The Ministries of Metallurgical Industry and Electronics Industry will require metallurgical and electronics industries to go corporate this year to enliven the two basic industries, which play an important role in economic construction.

China's overall economic situation shows the economy is gradually effecting a "soft landing." The economic environment will be better this year than last. The macroeconomy is entering a new growth stage, creating favorable conditions for enterprise reform.

**PRC: Daily Previews NPC, CPPCC Sessions (Part 3)**

*HK0503034596 Hong Kong WEN WEI PO in Chinese  
25 Feb 96 p 1*

["Special article" by Wu Cheng (0702 4453): "Cut Back Deficit: First Step To Reinvigorating Finance — Series on Prospects for Beijing's 'Two Meetings' (Part 3)"]

[PTS Translated Text for FBIS] With the increase in the degree of integration of national financial resources with government power, China has expressed increasingly stronger hope and will on the issue of addressing financial difficulty. Therefore, centering around Minister of Finance Liu Zhongli's budget report, financial issues will be eye-catching at the Fourth Session of the National People's Congress to open soon, and the focus of concern is: What are the results of the new finance and taxation structure in its two-year operation since 1994? Will the 1996 budgetary arrangements and the financial plan for the Ninth Five-Year Plan enable people to see the dawn of "financial reinvigoration?"

**Results of Revenue-Sharing System Will Be Affirmed**

Minus the uncertain factors of the 1994 restructuring, central and local financial revenues maintained the momentum of steady growth in 1995, and changed the situation wherein the growth of financial expenditures exceeded that of revenue. This has enabled the authorities to give the new finance and taxation structure high marks for its two-year operation.

At the same time, some positive effects of this new structure are gradually making themselves felt. Primarily, the sustained decline in central financial revenue was checked and began to "stand on its own feet": In 1994, the proportion of central financial revenue accounted for 55.75 percent of national financial revenue, much higher than the past. According to the 1995 budget, the proportion was to be increased to 56.55 percent. At the same time, the proportion of subsidies from central finance in local financial revenue already exceeded 50 percent. All this means an increase in central financial resources as well as the dependence of local financial revenue on central finance.

In fact, the most significant point of the new structure lies in the severance of an old practice that had a history of scores of years, characterized by bargaining between the center and the localities in the distribution of financial resources, thus enabling a sound beginning of the standardization of financial management and distribution structure of financial resources for both central and local finance. The most direct results of such stability and standardization are, first, the enthusiasm of localities for tax collection according to the law has greatly risen; the volume of industrial and commercial taxes increased by 90 billion yuan in three consecutive years. And second, local governments have become less unwilling to "reveal their wealth" for fear the Central Government should implement "egalitarianism and indiscriminate transfer of resources" resulting from frequent changes in structure, and universally began to pay attention to managing funds outside the budget and collection of government charges, carrying out overall planning for financial resources outside the budget. For a time in the past, extrabudgetary revenue used to be of the same scope as funds within the budget; even when the statistical code was changed in 1993, there remained a sum outside the budget that equated to approximately 30 percent of budgetary funds. Now this part of revenue is on the horizon, and is a great supplement to government financial resources.

**Four Indexes Reflect Actual Conditions of Finance**

Usually in the budget report, four indexes, namely, national financial revenue, central financial revenue, deficit, and debts reflect the realities of the annual financial plan, while the reality of national financial resources is revealed.

Presently, the serious shortage in China's national financial resources finds expression in a series of comparisons: First, despite the fact that national financial revenue has increased by a wide margin under the new structure, the situation wherein its proportion within gross domestic product (GDP) has kept falling remains

unchanged. In 1994 it dropped to 11.8 percent. Based on the implementation of the 1995 budget, the index could only be raised to around 12 percent. To change this trend, it is imperative from now on to guarantee faster growth in financial revenue than in GDP. Second, although the proportion of central finance in national financial revenue has greatly increased since implementation of the revenue-sharing system, it is still under 60 percent, the rational level. Third, because in the first four years of the Eighth Five-Year Plan the annual growth of financial expenditure was 2 percentage points higher than that of revenue, this led to an expansion of the deficit. The key to eliminating deficits in the next five years lies in whether revenues will increase more quickly than expenditures. And fourth, the proportion of debts in financial revenue has kept growing; in 1994, the dependence on debts was 21 percent. In 1995, it went up to 24.2 percent, approaching 25 percent, the internationally acknowledged safety line, whereas the debt dependence rate in central finance was 52.8 percent.

Aiming at such realities, Minister of Finance Liu Zhongli said that "reinvigoration of finance will be the core of financial tasks in the Ninth Five-Year Plan, and the solution to the financial issue will eventually embody increasing the "two proportions." Thus, from the arrangements for the aforesaid four indexes in the 1996 budget plan, we can see from what starting point efforts to reinvigorate finance will be exerted in the Ninth Five-Year Plan.

#### **Debt Issue Is of the Greatest Concern**

Experts here believe that weighing from whatever angle today, national bonds have become one of the most important determinants of China's financial policy. In actual fact, the deficit and debt issues will also be the key to whether finance will be reinvigorated during the Ninth Five-Year Plan.

The CPC Fifth Plenary Session has explicitly set forth the need to basically eliminate deficits during the Ninth Five-Year Plan, which means that an annual deficit of 13 billion yuan must be reduced. However, according to the situation of revenue and pressure in expenditure which finance is facing, experts forecast that it will be difficult to realize this goal in 1998, and estimated that growth in revenue can only be a little higher than growth in expenditure, and the deficit will be cut back from the 66.6 billion yuan in 1995 to around 60 billion yuan. Therefore, the arduous task of eliminating deficits will have to be shared in later years.

The biggest problem with the deficit is the gradual escalation in the pressure to repay principal and interest: In 1995, it was 152.7 billion yuan, of which 86 billion

yuan was for repayment of principal and interest, accounting for 55.9 percent of the debt volume. Experts estimate that the scope of the deficit in 1996 will be somewhat smaller, but the scope of debts will tend to expand. It was estimated that during the Ninth Five-Year Plan, finance had to pay approximately 30 billion yuan for repayment of interest on debts, and it would be 50 billion yuan if subsidies to preserve value are included. Thus what people worry about most is whether China will drive itself to a malignant cycle of issuing new bonds to repay old ones.

In any case, China will come under the pressure and perplexity of the debt issue during the entire Ninth Five-Year Plan. The Ministry of Finance has already set forth the policy, "basically eliminate the deficit, control the scope of debt" as the first step for reinvigorating finance; at the same time, a Five-Year Plan characterized by gradually reducing debts is set out, namely, cut back deficit first, reduce the scope of bond issuance for covering the deficit, while lowering the of bonds issuance, gradually narrowing debt scope.

#### **In 1996, the Grip Will Continuously Be Appropriately Tightened**

The authorities have already made explicit that in 1996, and even during the entire Ninth Five-Year Plan, an appropriate tight financial policy will be pursued. Nevertheless, based on the reality of "weak" finance, financial policy can give play to a very limited role of macroeconomic regulation and control. Thus the so-called "tightening" of financial policy and the strict control over the scope of spending are limitations on financial resources and realistic demand for cutting back the deficit rather than a requirement of macroeconomic regulation and control, and they mainly refer to the pursuit of restructuring that is within reach.

#### **PRC: Daily Previews NPC, CPPCC Sessions (Part 4)**

*HK0503035796 Hong Kong WEN WEI PO in Chinese 26 Feb 96 p A1*

["Special article" by Wang Ming (3076 6900): "Invigorating Agriculture: Arduous Task for This Year—Series on Prospects for Beijing's 'Two Meetings' (Part 4)"]

#### **[PTS Translated Text for FBIS] Three Major Irreversible Problems**

Last year, China reaped bumper harvests in all aspects of agriculture with a rise in total grain output. However, at this year's National People's Congress and Chinese People's Political Consultative Conference, delegates and committee members will not limit their topics on agriculture. This is because to achieve the CPC Central



Committee's goal of "trying every possible way to wrest bumper harvests for this year" is still an arduous task. Agriculture Minister Liu Jiang will give both Chinese and foreign reporters a press briefing at the conferences.

Statistics show that China has seen fairly rapid agricultural development in recent years. During the Eighth-Five Year Plan, apart from cotton, major agricultural products either fulfilled or surpassed their targets. Total grain production was around 2.235 billion tonnes, up 9.4 percent over the Seventh-Five Year Plan, with annual output reaching 447 million tonnes. The yields of both oil-bearing and sugar crops rose more than 20 percent from the Seventh-Five Year Plan, while the output of aquatic products and meat recorded a sharp increase of 60-70 percent. Improvements in China's living standards are to a large extent the result of relying on agriculture.

China's agriculture nonetheless faces three major irreversible problems: population growth, farmland reduction, and consumers' growing demand. China currently has a population of more than 1.2 billion, which will continue to increase at least by about 13 million annually. China's per-capita farmland is 1.3 mu now, but in the future it can only be maintained at around 1 mu because of its uses for construction and other factors. In addition, lack of basic agricultural facilities, antiquated modes of production, insufficient capital input, and demand outstripping supply of chemical fertilizers and farm chemicals are also problems besetting the agricultural sector.

Agriculture Minister Liu Jiang said bluntly that agricultural tasks are arduous. By the turn of this century, China's grain output must reach 490-500 million tonnes, cotton five million tonnes, meat 52 million tonnes, and aquatic products 28.5 million tonnes. It must also see annual growth above 20 percent in village and township enterprises and provide five million jobs annually for the rural labor force, with peasants' per-capita net income reaching 1,200 yuan. Of the abovementioned tasks, grain production and peasants' income are the most difficult ones. In the next five years, grain output per mu must rise to 27 kg and average above 5 kg annually on the condition that its sown area is kept at 1.65 billion mu. China failed to fulfill this target during the Eighth-Five Year Plan, nor has it attained an annual increase of 7 percent in peasants' per-capita net income in the last 10 years.

It is noteworthy that when giving a lecture to high-ranking cadres at the Central Party School, Jiang Chunyun, head of the Leading Group for Agriculture and vice premier of the State Council, pointed out that there are phenomena of "one high, one low, one heavy, and

one bad" in rural areas which have become major hindrances to rural economic development. "One high" means high prices for agricultural means of production. There are too many intermediate links in farm chemicals and chemical fertilizers, for which prices are increased at every level, thus making it too heavy a burden for peasants to bear. "One low" refers to relatively low agricultural returns. The country has set rather low purchasing prices for agricultural products in the last few years, while the growth in peasants' per capita net income is slow. "One heavy" means various irrational apportioned charges and surcharges imposed on peasants. "One bad" refers to the fact that some rural grass-roots cadres are bad at implementing state policies. Far from carrying out orders and heeding prohibitions, they act in violation of rules and regulations. These phenomena in rural areas have seriously dampened peasants' enthusiasm for production, intensified cadres' contradictions, and affected social stability.

China's decision-makers have attached great importance to the question of agriculture. Early this year, the first conference convened by the CPC Central Committee was the Central Rural Work Conference. The CPC Central Committee proposed persisting in implementing the principle of giving priority to agricultural development; resolving problems of great concern to peasants; safeguarding and mobilizing their enthusiasm for production; carrying out the strategy of invigorating agriculture through science and education; changing the mode of production; and fixing and perfecting basic rural policies. The conference pledged to properly resolve the problem of low purchasing prices for grain this year so that peasants can receive greater material benefits.

Recently, relevant departments have also decided to increase the output of chemical fertilizers and strictly dredge irrigation ditches. Several ministries and commissions have sent joint investigation groups to examine the problem of peasants' burden. With greater determination, they have taken more rapid action than ever before.

#### China To Resolve Food Problem by Itself

It is understood that China's hierarchy has formulated this year's major measures for agricultural work as follows: Vigorously build basic water conservancy facilities on farmland; try every possible way to fulfill targets for the sown areas for grain and cotton; strictly set up accountability systems; ensure that the sown area for grain is kept at 1.65 billion mu; strive to increase the sown area for cotton to nine million mu; promote advanced and practical agricultural technology; launch seed projects; and increase capital input in agriculture. With regard to grain production, this year the Ministry



of Agriculture has decided to focus on major crops and fulfill targets for their sown areas, major regions, and key links. Total output of rice, corn, and wheat will rise by nine to 10 billion kg. It will complete farmland capital construction soon as possible; change farming methods and use interplanting methods; increase multiple-cropping indexes; cultivate wasteland, waste shoals, and winter-grown crops in southern China; reap the harvest of multiple-cropping in a tract of land; and raise per-unit area yield and its quality. It will also focus on major regions that have relatively huge potential for increasing production, notably early rice zones in eight southern provinces, corn zones in north China, and wheat zones in Jiangsu, Henan, Anhui, Shanxi, Shaanxi, and Hebei; make ample preparations for capital and technology to be in place for preventing and fighting natural disasters; and strive to minimize the losses resulting from them.

Jiang Zemin stressed that China must resolve its food problem by itself. "It is imperative to give top priority to agriculture in the national economy. This is not a short-term principle but a principle to be upheld in the long run. It is not only an agricultural task but a requirement for the whole party and country's work as well. China's economy is not allowed to be at a standstill or retrogress. It can only move ahead while shouldering heavy tasks. Delegates to the two conferences will certainly be free to express their views on this issue and seek a sensible path for China's agriculture."

**PRC: Daily Previews NPC, CPPCC Sessions (Part 5)**

*HK0503040396 Hong Kong WEN WEI PO in Chinese 27 Feb 96 p A1*

["Special article" by He Pei (0149 5563): "New Type of Social Security System To Be Established—Series on Prospects for Beijing's 'Two Meetings' (Part 5)"]

[PTS Translated Text for FBIS] The reform target of China's social security system during the Ninth Five-Year Plan is: Basically establish a social security system by the year 2000 that meets the needs of the socialist market economic system, where capital comes from various channels, which offers various means of security, where rights correspond with duties, and which provides socialized management and services.

Pursuing a new social security system constitutes an important auxiliary reform of China's state-owned enterprises and an essential measure for maintaining social stability. Implementation of the relevant policies and schemes of the reform has started, and the outstanding problems cropping up in the course of operation, such as the ineffective management system and capital short-

ages, will inevitably become one of the focuses of the "two meetings" to be held in early March.

### **Ineffective System and Capital Shortages**

Li Tieying, Political Bureau member of the CPC Central Committee and director of the State Commission for Restructuring the Economy, made a systematic exposition of the basic framework of China's social security system. He said: Classified in light of the means of generating capital and security objectives, China's social security system is generally composed of three parts, which include 13 items.

The first part is the security project supported by state finance, which includes social relief, social welfare, giving special care to the needy, and community services.

The second part is the social security enforced by state laws, which includes support for elderly, unemployment, medical care, care for injury caused while on duty, birth insurance, and housing insurance. This is the main part of the social security system.

The third part is the profit-seeking commercial insurance based on the principle of voluntary participation, which includes individual, enterprise, and group insurance. This serves as the main complement to social security.

In view of China's market economic system which remains to be improved, however, the reform of the social security system has been difficult.

Wu Jie, deputy director of the State Commission for Restructuring the Economy, stated not long ago that the main difficulties facing the reform of the social security system are the ineffective management system and capital shortages.

Social security is the most important and crucial part of China's social security system, which covers support for the elderly, medical insurance, unemployment insurance, and housing insurance. As a central level unified social security management organ has not yet been established, the reform in these fields is handled by respectively by different departments. The Ministry of Personnel is responsible for the insurance of retired state functionaries; the Ministry of Labor is responsible for the insurance of retired staff members and workers of state enterprises and certain township and collective enterprises; the Ministry of Civil Administration applies the reserve fund system to let the peasants pay and support themselves; and the Ministry of Public Health is responsible for implementing the relevant schemes concerning medical insurance. Such a state of too many departments involved in management has brought great obstruction to the pilot reforms. Besides overlapping organs, management by too many departments results in

each field forming its own system, overlapping businesses, rising costs, and differences between the specific insurance policies and standards of the enterprises, units, and trades, which invisibly increase the burden on enterprises and difficulties in implementing the policies.

#### Time Not Ripe To Establish Unified Organ

Reports say that relevant central departments are considering establishment of a special office, such as a State Social Security Ministry or State Social Security Committee, which will take charge of unified management, policymaking, and matters concerning reform. Then the entire management system will be divided into three layers: The State Social Security Ministry, which exercises macroscopic management, will be responsible for unified planning, policymaking, and comprehensive coordination work; the provincial (city) level Social Security Bureau, which is the intermediate level execution layer, will be responsible for the specific operation of the laws and regulations; and the security offices at the county and basic levels are the microscopic layers, responsible for social security affairs at the front.

According to analysis by an authoritative figure, however, the plan for establishing a unified management office is still being deliberated. Moreover, the establishment of the State Social Security Ministry still needs time because of the influence of the current economy, the current system, and other factors.

Under China's planned economic system over the past 40 years or so, experts say, millions of staff members of state enterprises made immense contributions to the accumulation of state property and a shift in China's economy from agricultural to initial industrialization. After China switched to a market economy, the accumulated fund, which should have been earmarked for supporting the retired staff and unemployment relief by the state, became a huge historic debt. As a result, the state could only draw an amount from state finance or state assets to establish insurance and serve as compensation. Nevertheless, the government's financial situation is by no means relaxed, and it cannot allocate the total amount of funds required. Moreover, it will be very difficult to change or bring to an end within a short period the situation of management by various departments which has been operating for some time and which has determined the pattern of interests between different departments.

Comparatively speaking and viewed from China's economic development, the task of resolving the problem of efficiency of the state economy as quickly as possible is more urgent than strengthening social security at present. The purpose of establishing a new social security system is to stimulate social economic development and increase production efficiency. However, so-

cial security itself has rigid characteristics, and once the standards are set, it will be difficult to effect a change. In light of China's current economic level, the standards must not be too low. If the standards of social security are fixed when the efficiency of China's state economic sector cannot increase, it will produce grave consequences. Hence, experts believe that this is not the opportune moment for establishing a unified management organ.

#### Introduce Reform Models of Zhengjiang and Jiujiang

According to analyses by observers, the establishment of a new social security system will be one of the "hot topics" deliberated by the deputies and members at the "two meetings." Ultimately they will focus attention on further improvement and adopting auxiliary means, strengthening supervision over implementation, trying their best to improve and coordinate management work, and easing the problem of capital shortages. The accelerated reform of support for the elderly, unemployment, and medical insurance will be particularly stressed so as to initially establish a social security system during the Ninth Five-Year Plan at various levels which combines social insurance, relief, welfare, and preferential treatment for the needy with mutual aid and savings insurance.

In light of the relevant documents issued by the State Council, Wu Jie said that all localities should try out the reform of the pension system. Guangxi's Beihai and Hebei's Handan have been selected to undergo the experiment. Further efforts should be made to extend the scope of reform of the medical insurance system. After summing up the experience of Jiangsu's Zhengjiang and Jiangxi's Jiujiang, the State Council has decided that all provinces, autonomous regions, and municipalities should, commencing this year, select one or two cities to undergo the experiment of following the models of Zhengjiang and Jiujiang. It is estimated that the "two meetings" will bring about practical and feasible progress in reform of the social security system.

#### PRC: Daily Previews NPC, CPPCC Sessions (Part 6)

HK0503050196 Hong Kong WEN WEI PO in Chinese  
28 Feb 96 p A2

["Special article" by A Nuo (7093 6179): "Breakthrough Is Sought in Foreign Trade Reform — Series on Prospects for Beijing's 'Two Meetings' (Part 6)"]

[PTS Translated Text for FBIS] Development in foreign economic and trade relations will be a popular issue in discussions during the "two meetings." It was learned



that during the meetings, Minister of Foreign Trade and Economic Cooperation Wu Yi will hold a news conference to brief on conditions of Chinese foreign economic and trade relations as well as new measures for foreign trade restructuring.

A related department disclosed that during the Ninth Five-Year Plan, the annual growth rate of China's import and export volume will continue to exceed 10 percent. It is estimated that by 2000, the annual import and export volume will be \$400 billion, of which imports and exports will each be \$200 billion.

#### Seven Keys in Reform

Not long ago, Wu Yi stated that by the year 2000, China will set up a unified, scientific, open new structure that will meet the requirements of the market economic structure and universal regulations of the world economy.

Last year, China's import and export volume in foreign trade was \$180.85 billion, up by 18.6 percent from the previous year. However, some problems continued to exist in the development of foreign economic relations and trade. This year, it is imperative to continue to deepen restructuring of foreign economic relations and trade, make complete and perfect the indirect regulation and control system, with economic and legal means in the main, to achieve a breakthrough in the reform of foreign economic relations and trade. These reform measures include:

— Taking reform of state-owned foreign trade enterprises as the key link of reform; taking an active part in pushing forward the pioneering project of modern enterprise system; accelerating the conversion of enterprise mechanisms in foreign economic relations and trade; and shifting enterprise operations to an orbit with economic results as the center.

— Further completing and perfecting the indirect regulation and control system with economic and legal means as the mainstay; implementing unified institutions and policies for foreign economic relations and trade across China; working in cooperation with related departments to further complete and perfect the exchange rate mechanism; readjusting the tariff structure, completing and perfecting the tax return mechanism, standardizing such measures as tax collection involving foreign investment and credit support, and gradually realizing the application of tariff, exchange rate, interest rate, taxation and other policies and measures in line with universal international regulations; doing a good job of monitoring, forecasting, regulation, and control over foreign economic relations and trade operations to

continue to improve the quality of growth in foreign economic relations and trade.

— Restructuring the administration of foreign economic relations and trade, and strengthening macroeconomic control; reforming the structure of control over imports and exports based on the principle of being open, fair, scientific, and rational; doing a good job in the pioneering project of operating foreign trade joint ventures to create conditions for gradually lifting restrictions over the right to operate in foreign trade and for converting from the system of examination and approval to the system of registration according to law. — Conducting reform of institutions in a comprehensive way, completing and perfecting the intermediate service system in foreign economic relations and trade; augmenting and harmonizing service mechanisms so that a whole range many be formed in the reform of the administration, operation, and service of foreign economic relations and trade.

— Pushing the implementation of the import and export agency system in a big way, accelerating the conversion from the purchase system to the agency system.

— Deepening reform in foreign aid work, stepping up the pace in implementing new means of foreign aid. It is necessary to push the implementation of new means of providing preferential loans by the government with discounted interest rates, giving further impetus to joint ventures and cooperative ventures between Chinese enterprises and their counterparts in recipient countries in projects with Chinese aid; combining foreign aid with investment and trade and other forms of cooperation with mutual benefit, while giving play to the enthusiasm of both the government and enterprises and expanding the source of funds and project scope to improve the results of aid.

— Stepping up the pace of progress of legislation in foreign economic relations and trade industries, completing and perfecting the legal system for foreign economic relations and trade as quickly as possible. On the basis of the "Foreign Trade Law," grasp firmly the promulgation and implementation of such laws and regulations as the "Antidumping Regulations," "Anti-Subsidy Regulations," "Regulations Guaranteeing Measures," and "Regulations on Chambers of Commerce."

#### 120,000 Enterprises With Foreign Investment

Utilizing foreign investment is an important component of China's foreign economic relations and trade. By the end of 1995, China had approved 258,000 projects with investment by foreign businessmen; the actual volume of foreign funds in use was \$133.372 billion. Thus



China has become one of the developing countries that has absorbed the most foreign funds

At present, China has somewhat improved its standards of foreign investment utilization and has also improved somewhat the industrial structure of foreign investment. Government-encouraged large and medium projects involving intensive capital and technology in capital industries, infrastructure, energy resources, communications, and transportation are becoming the hot targets of foreign investment. The scope of projects with foreign investment has somewhat expanded. Investment by world-famous large multinational corporations in China has kept increasing. At present there are 120,000 enterprises with foreign investment in operation, involving the employment of 16 million workers. The overwhelming majority of these enterprises are in sound operational condition, the volume of marketing and profits has increased with each passing year, and their exports have increased rapidly.

Wu Yi stated that from now on, the absorption of foreign investment will mainly rely on a fine investment climate, complete and healthy legal system, highly-efficient management and services, and attractive markets. Therefore it is imperative to improve the environment for utilizing foreign investment, especially the soft environment. At the same time, it is imperative to strengthen control over foreign-funded enterprises so that they will abide by the law in operation and pay taxes according to regulations.

**PRC: Daily Previews NPC, CPPCC Sessions (Part 7)**

HK0503091096 Hong Kong WEN WEI PO in Chinese  
29 Feb 96 p A2

["Special article" by Gong Wei (1362 4850): "Plan for Implementing 'Two Conversions' Will Be Tabled — Series on Prospects for Beijing's 'Two Meetings' (Part 7)"]

[PTS Translated Text for FBIS] The CPC has proposed effecting the shift of the economic system from the traditional planned economy to a market economy and the shift of economic growth mode from extensive to intensive in economic development this year and during the Ninth Five-Year Plan period. This represents the key link for China achieving a cross-century economic boom. On this topic, authoritative figures in Beijing's economic circles said in their analysis: The "two meetings" this year will focus on specific ways to effect the two "shifts," carry out earnest studies and discussions, and put forward plans for implementation.

**Seven Aspects of the "Outline"**

It is believed that the State Planning Commission will submit the "Outline for the Ninth Five-Year Plan and the Long-Term Target for the Year 2010 (draft)" to this year's Fourth Session of the Eighth National People's Congress [NPC]. The outline will mainly set forth targets for China's economic development in seven fields for the next five years and list problems which should be solved. The outline for implementing the Ninth Five-Year Plan for economic development formulated, after study, by the State Planning Commission, initially sets China's annual average growth rate of per-capita GNP for the next five years at 8 percent. Efforts will be made to keep the inflation rate at about 6 to 7 percent. In the meantime, the fixed assets investment rate will be lowered to 30 to 32 percent and vigorous efforts will be undertaken to basically eliminate financial deficits by the year 2000. The outline will be submitted to representatives and members [as published] of the "two meetings," for deliberation. The "two meetings" will then have to make decisions to define economic distribution of various regions and industries nationwide, define the "overall" plan for investment in capital construction nationwide and "separate" plans for investment in various regions and industries, and guarantee key state construction projects. After being approved, the outline will be promulgated for implementation nationwide.

Important CPC political figures have stressed that various places throughout the country must really make the shifts of the economic system and economic growth mode important tasks for economic development in the coming period; conscientiously regard the two shifts as the important issue decisive for economic development in various fields, industries, and regions; and make new strides beginning this year.

Chen Jinhua, minister of the State Planning Commission, said that in formulating the Ninth Five-Year Plan and the long-term target for 2010, the nature and role of the plan must be based on the market so that the market will play a basic role in allocating resources under the guidance of the state macroeconomic policy. Whether resources are mainly allocated by market regulation or directly decided by the government represents the fundamental difference between the plan under the planned economy and that under the market economy. The Ninth Five-Year Plan and the long-term target for 2010 are, on the whole, guidance plans.

**It Is Necessary To Change the Economic Growth Mode**

The extensive economic growth mode is the source of many contradictions and problems in our current economic activities. Therefore, the characteristic of China's

medium- and long-term plans is: The formulation of the Ninth Five-Year Plan and target for the year 2010 must give full expression to the change in economic growth mode. For a long time in the past, China's economy mainly relied upon extensive operation to expand the economic scale, consuming a large amount of resources, which was basically a path featuring huge input, high speed, low efficiency, and high inflation, resulting in periodic economic fluctuations, which became a headache hampering China's economic development for several decades. So in the Ninth Five-Year Plan period, it is necessary to vigorously promote a change in the economic growth mode and to create a mechanism conducive to this change.

The shift in the economic growth mode also means a challenge for enterprises. In the Ninth Five-Year Plan period, China will not seek economic development and achieve the target set in the Ninth Five-Year Plan by increasing input, but by raising the scientific and technological level, raising the educational level of workers and staff, and improving the quality and efficiency of economic growth. Given this, those enterprises whose workers and staff do not possess a sound educational background and whose products are not produced with advanced technology will face the danger of being eliminated. The shift from the traditional planned economy to a market economy will also present a challenge to those enterprises failing to adapt to the market economy. The future market will be one in which enterprises will have to enter bitter competition to expand their market share, relying upon their scientific and technological strength and product quality. Any enterprise wishing to adapt to the market and expand through competition must completely change its system and operate as required by the modern enterprise system before it can meet the demands of the market economy.

Officials of the State Planning Commission said that the fulfillment of the Eighth Five-Year Plan and obvious results scored in strengthening and improving macroeconomic control and regulation over the last two years have created a more favorable macroeconomic environment for this year's economic development. But we should be aware the task of economic "soft landing" has not yet been fulfilled, and deep-rooted structural and mechanical [ji zhi xing 2623 0455 1840] contradictions remain factors restraining sound economic development that cannot be ignored. In 1996, conditions are available for continued fairly rapid economic development with the growth rate likely to be somewhat lower than last year, but higher requirements for the quality and efficiency of economic growth have been set. In 1996, it is necessary to continue to preserve the correct orientation of macroeconomic policy and to exercise ap-

propriate macroeconomic control. At the same time we should make new breakthroughs in deepening reform, especially in state enterprise reform, to enable the economy to move smoothly toward a "soft landing."

#### Reform of the Investment System

Establishing and improving a macrocontrol system meeting market demand is an important aspect of economic restructuring and also an essential condition for effecting a shift of the economic growth mode. It is necessary to make special efforts to strengthen and improve macrocontrol, give play to the overall guiding and comprehensive coordinating functions of state planning, and improve the mechanism by which planning, finance, and banking cooperate and restrain each other, so as to form a pool of forces to guarantee unified and effective macrocontrol.

In 1996 China will deepen reform of the investment system, focusing on establishing a capital system for investment projects [tou zi xiang mu zi ben jin zhi du 2121 6327 7309 4158 6327 2609 6855 0455 1653], enthusiastically introduce a system under which legal entities are responsible for projects, correctly bring into play the market's role in optimizing allocation of capital funds, establish a mechanism for restricting investment risk, improve management of investment plans, and speedily foster a market service system for investment. With regard to adjustment of the investment pattern, China will further adjust the pattern this year to make the most efficient use of funds. More funds will go to agriculture and enterprise technical transformation, while control over real estate investment will be strengthened.

As disclosed by the State Planning Commission, the government's planned actions under the conditions of the market economy will have laws to go by. The "Planning Law" (draft) has been reported to the State Council and hopefully will be submitted to the current NPC session for deliberation. The "Planning Law" was designed, in light of the needs of the market economy, to define the functions of state planning and make it more scientific and effective. It will also improve the legal system of macrocontrol and more effectively give play to the role of planning.

#### PRC: Daily Previews NPC, CPPCC Sessions (Part 8)

HK0503100896 Hong Kong WEN WEI PO in Chinese  
1 Mar 96 p A2

["Special article" by Chou Jung (0719 2837): "Stability, Going All Out, Making Preparations for the Sixth Plenary Session of the 14th CPC Central Committee —



Series on Prospects for Beijing's 'Two Meetings' (Part 8)"; last in series]

[PTS Translated Text for FBIS] The Chinese People's Political Consultative Conference [CPPCC] and the National People's Congress [NPC] to be convened in Beijing on 3 and 5 March have set stability and going all out as their keynotes. Their agenda and press conference are similar to that of regular meetings in the past. The only difference is that the joint press conference was hosted by officials from the western provinces and regions, indicating that the Chinese authorities will implement a policy of leaning toward the central and western regions once the Ninth-Five Year Plan is started.

What has caught more attention is that special reports and discussions on pushing for the construction of spiritual civilization have been arranged for the NPC and CPPCC with the aim of echoing Jiang Zemin's call for taking the "building of spiritual civilization to refer primarily to the ideological, moral, and cultural construction" as the main topic for discussion at the Sixth Plenary Session of the 14th CPC Central Committee.

In his "Government Work Report," Li Peng proposes that short-term economic growth should not be pursued at the expense of spiritual civilization. Governments at all levels should include the construction of spiritual civilization in the "Overall Planning for Social and Economic Development." Thus it is evident that the problem of "failing to attach equal importance to two types of work" (grasping only material civilization but not the construction of social [as published] civilization) has yet to be resolved. Given that the party's workstyle, social tendency, and public order have deteriorated further, China cannot but study comprehensive countermeasures and put forward a systematic resolution. In fact, as long ago as when Hu Yaobang hosted the Sixth Plenary Session of the 12th CPC Central Committee, a similar resolution was adopted but was not implemented because of changes in situation. Nearly seven years later, the overall situation has become stable under Jiang's regime. Perhaps this resolution can be genuinely implemented now and will become an important component of a package of cross-century targets for China under the leadership of the third generation, including being comfortably well off and ranking among the world's powerful nations in modern civilization.

Frankly, the constant growth of a commodity economy and market mechanism is promoting the shift of the dominant social awareness toward money worship. The idea of "money talks" coupled with erroneous policies of encouragement in some localities and departments has turned social awareness to money only, thereby showing

that the concepts of actual life have been divorced from traditional theory. As a result, the practice of corruption is widespread within the party, social tendencies are seriously distorted, and reckless criminal activities are increasing dramatically, thus undermining public order and peace and livelihood. In the small hour of 2 February, Li Peiyao, deputy secretary general of the NPC's Standing Committee, was killed in his home by an on-duty armed policeman, the highest-ranking state leader to be murdered in the 47 years since the founding of New China. This case, which shocked both China and foreign countries, not only exposed serious loopholes in security for high-ranking officials, but also reflected a deteriorating social order that is very worrying. It is believed that delegates and committee members attending the two conferences will severely criticize it and call for effective measures to maintain social stability.

Jiang Zemin pointed out that there are many factors contributing to some undesirable and chaotic phenomena that are very often not promptly rectified in some localities, departments, and social fields. However, the root cause of the phenomena is that both the party and the government fail to exercise effective leadership or even abandon it, to which great importance must be attached.

Wei Jianxing, secretary of the Central Discipline Inspection Commission, stressed that China will concentrate efforts on investigating and handling cases of corruption, bribery, embezzlement, tax evasion, illegal procurement of foreign exchange, smuggling, perverting justice for bribes, serious malfeasance, and fraud. Investigations will focus on criminal cases involving the leading organs under the party and the government, executive and law enforcement organs, the judiciary, economic administration departments, and officials at the county or section level or above. Jiang Zemin pointed out that since the 14th CPC National Congress, a series of important measures have been taken and results achieved in phases in anti-corruption. In response to dissenting views held by those inside the party, Jiang argued: "It is groundless to say that the party's style of building an honest and clean government and the anti-corruption struggle conflict with or are separate from economic construction and reform and opening up, and that once the building of the party's workstyle and anti-corruption struggle are grasped, they will have an adverse impact on economic construction and reform and opening up." He affirmed: "The central authorities' policy decision on anti-corruption is correct. We are seeking a path in a step-by-step manner which focuses on economic construction, organically combines the anti-corruption struggle, reform, development, and stability,



relies on the efforts of the party itself and the people's support to resist the corrosive influence of bourgeois and various decadent ideas of the exploiting class, and strives to minimize undesirable and corrupt phenomena."

In view of the current situation, China's decisionmaking core knows well that the construction of spiritual civilization and genuinely attaching equal importance to the two types of work are major issues concerning the rise or fall of the nation and what China will look like in the 21st century. It is necessary to increase the strength of building spiritual civilization so that "the economy will develop in coordination with society." Jiang

Zemin demands that the construction of spiritual civilization and the rule of law be promoted in all aspects by ideological and moral education, the guidance of public opinion including the press and publications, the masses' social and cultural activities, educational, scientific, and cultural construction, unity and cooperation between the Army and the people, and building the correct party style of building a clean and honest government. It is believed that these frameworks will become the main content of resolutions to be adopted by the Sixth Plenary Session of the 14th CPC Central Committee and will be supported by representatives of public opinion through the two conferences' approval of certain documents.

**PRC: NPC, CPPCC To Focus on Social Order, Corruption, Finance**

*HK0403092596 Hong Kong MING PAO in Chinese 28 Feb 96 p C1*

[Report by special correspondent Liang Kuo-jen (4731 0948 0088): National People's Congress, Chinese People's Political Consultative Conference Face a Host of Thorny Problems"]

[PTS Translated Text for FBIS] Social order, anti-corruption, and money supply are expected to be the major topics for this year's "two conferences."

Deteriorating public order has always been a major problem of public concern. The murder of Li Peiyao, vice chairman of the National People's Congress, in his residence before the eve of the lunar new year highly alarmed the Chinese authorities. It is understood that in recent years, major cases have occurred with great frequency in Beijing Municipality. Since last year, six major cases of bank and jewelry shop robberies have taken place in the city, but so far none has been cracked. Some time ago, a savings bank robbery occurred in the Asian Olympic Village in which two economic policemen were killed and one bank employee injured. Shocked at this incident, China's hierarchy ordered the

case be resolved within the specified time. It is said that two suspects, who have been identified, are wanted throughout the country.

**More Than 10 People Involving in Li Peiyao's Case Are Arrested** The case of Li Peiyao's murder has not been concluded; there are still repercussions. More than 10 people, including officials in charge of conscription in the murderer Zhang Jinlong's hometown, cadres from the people's armed forces department, and officers in charge of political examination and new recruits during Zhang Jinlong's enlistment were arrested. The chief of the Public Security Bureau No. Eight responsible for outer security for high-ranking officials was dismissed because of the Li Peiyao incident and several sit-down protests outside XINHUA in Zhongnanhai.

It seemed that there is little the Ministry of Public Security can do with serious criminal cases at present. Some small residential areas (large housing estates) in Beijing's Xicheng District have erected enclosing walls and railings, closed front doors, added entrance guards, and built more bicycle sheds to resolve problems such as stealing bicycles, cars, and motorcycles, burglary, mugging, to which the masses react strongly. The relevant authorities have specially held an on-the-spot meeting to promote the "management of small closed areas" and have sent policemen to "closely guard" small residential areas. In fact, this has restored the past "compound" (where there is only one entrance for several blocks of houses).

Below peepholes in many hotels and guest houses for foreigners in Beijing, there is a "notice" in both Chinese and English saying: For your safety, please identify visitors before opening the door. This has fully shown that public order is poor in the city.

**Corrupt Official in Beijing To Stand Open Trial**

Since the cases of Wang Baosen and Chen Xitong were exposed last year, there seemed to have been no news about anti-corruption for awhile. However, it is still a problem of public concern. It is disclosed that the Chinese hierarchy is planning to adopt a new posture on anti-corruption on the eve of the "two conferences" and will openly try Liu Qi, former director of the Beijing Municipal Housing Reform Office and member of the Capital Planning and Construction Commission. It is said that Liu was the first one exposed in a series of corruption cases involving Wang Baosen and others and is "a breach" in Beijing's anti-corruption campaign. Investigations revealed that Liu accepted more than 500,000 yuan in bribes which was regarded as a major

case. However, it is believed that as he assisted in bringing the cases of Wang Baosen and Chen Xitong to light, he will ultimately be exempted from capital punishment.

All units have taken measures to prevent corruption. For instance, foreign trade departments require that anyone who is to resign and take on another job or travel abroad must first have his accounts squared, otherwise he cannot leave his unit. Some time ago, a deputy director of a handicraft import and export company was arrested on a corruption charge.

Far from being checked, the practice of wining and dining at the public expense was widespread again compared with last year. During the lunar new year holidays, all restaurants, large or small, were always full of customers, while karaoki and saunas were doing a booming business. It is said that most of their customers used public funds to pay their bills.

#### **Local Governments Warned Not To Threaten Central Authorities**

The authorities have repeatedly vowed to continue to "moderately tighten" this year's money supply rather than relax it. But sources from various quarters disclosed that credit control has been relaxed and the government "can only do but not speak" on this matter. This is because despite the tight money supply last year, an extra-budgetary investment of 150 billion yuan was still recorded (investment outside the budget and residents' deposits were still increased by more than 80 billion yuan). The authorities are worried that the overall situation will be out of control once the money supply is relaxed and thus they insist on "not relaxing" it. However, in actual operation it has been somewhat relaxed.

Since the central authorities have warned local governments "not to use ailing enterprises to threaten them," local officials will not make a big issue of it at this year's "two conferences."

#### **PRC: NPC Deputies Inspect Work in Preparation for Session**

OW0403100096 Beijing XINHUA Domestic Service in Chinese 0954 GMT 1 Mar 96

[By reporter Jia Fenyong (6328 1164 0516)]

[FBIS Translated Text] Beijing, 1 Mar (XINHUA) — Days before the opening of the Fourth Session of the Eighth National People's Congress [NPC], standing committees of people's congresses in various provinces, autonomous regions, and municipalities organized various inspection activities for the NPC deputies to learn about the political, economic, and cultural development

situation, as well as various social undertakings in the localities; solicit opinions from the broad masses of the people; and prepare for the success of the Fourth Session of the Eighth NPC.

Last December, the Standing Committee of Qinghai Provincial People's Congress organized a special inspection tour for NPC deputies in the province to check the "grain bag" and "vegetable basket" projects, tax administration according to laws, and others. The deputies heard special briefings by relevant government departments and conducted on-the-spot investigations in various cities and counties. In late January, some NPC deputies in Xinjiang inspected the work of revitalizing agriculture with science and technology, lessening peasants' burdens, and implementing the "Agriculture Law" and others in several counties and cities. They heard opinions and demands of households demonstrating agricultural technology, major enterprises in the breeding industry, and staff and workers of village and township enterprises. They also learned about Xinjiang's plan for railway construction during the Ninth Five-Year Plan, management of the Beijiagang [northern Xinjiang] Railway, and other issues.

People's congresses and their standing committees in Shandong, Jiangxi, Beijing, Tianjin, Yunnan, Guizhou, Hubei, and other provinces and cities have all organized inspection activities for NPC deputies in the localities during the time between the end of last year and the beginning of this year. All of the inspection activities focused on economic construction, and arrangements were made to make the deputies learn more about some important conditions and problems in reform, opening up, and economic construction. Such inspections, which enabled the deputies to learn about the situation of economic operation in various localities in a more accurate and concentered way and to further understand the situation in the development of various social undertakings in various localities, have enabled the deputies to better deliberate the Outline of the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the year 2010 and other items on the agenda of the Fourth Session of the Eighth NPC.

NPC deputies in Chongqing City, Suzhou City, Ningbo City, Simao Prefecture and Nujiang Lisu Autonomous Prefecture in Yunnan, and other prefectures and cities have also inspected the situation of local economic and social development and have solicited the people's opinions on some important issues. Under the organization of the Chongqing City People's Congress Standing Committee, 35 NPC deputies in the city have gained a thorough understanding of the situation regarding industry, taxation, agriculture, education, building a clean government, and public order in the city and have sub-



mitted their opinions and suggestions to the local government on the problems found during the inspection. After the inspections, NPC deputies in Nujiang and Xishuangbanna Prefectures in Yunnan submitted suggestions on developing water resources and protecting wildlife in the two localities.

Some NPC deputies have conducted key inspections pertaining to some problems in light of the localities' actual situation. NPC Deputy Feng Qifu has conducted a thorough investigation into tax collection and management in village and township enterprises in Luliang Prefecture, Shanxi, and has submitted suggestions on reasonable taxation and promotion for economic development in poor areas. Some NPC deputies have emphatically inspected state-owned enterprises in Lianyungang to learn about their difficulties and are preparing to propose suggestions at the Fourth Session of the Eighth NPC on ways to solve problems of enterprises with particular difficulties. Three NPC deputies in Guangxi, including Tao Aiyang, inspected the situation of education in Sanjiang and Xincheng Counties in Guangxi, and conducted a comprehensive investigation into the problems of promoting compulsory education in poor areas.

**PRC: Internal Paper Issues Gag Order on NPC, CPPCC Deputies**

*HK0403081496 Hong Kong SING TAO JIH PAO in Chinese 3 Mar 96 p A6*

[By reporter Kuang Tung-chou (6782 0681 5297): "Two Sessions' Deputies Issued Internal Document, Asked To Make Unified Statements and Avoid Discussing Sensitive Issues"]

[PTS Translated Text for FBIS] The Fourth Session of the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee opens in Beijing today. To mark the convening of the "two sessions," RENMIN RIBAO has especially carried an editorial entitled "Make Concerted Efforts To Work Out Great Plans," predicting that the two sessions will be turned into democratic, truth-seeking, and enthusiasm-rousing meetings. However, viewed from the angle that the hierarchy has taken precautions in every way prior to the meetings, the "two sessions" have not made much progress in terms of democracy and liberalization. On the contrary, given the atmosphere of "giving prominence to politics," as before, National People's Congress [NPC] deputies and CPPCC members have been unable to shake off their role as voting machines.

**Publicity Focuses More on Good News But Less on Bad News**

Compared with the situation a few years ago, the political atmosphere prior to the "two sessions" does not look very tense superficially, and the public in Beijing are generally indifferent toward the convening of the meetings. However, the authorities have not relaxed controls at all over the "two sessions" deputies or members as well as government media.

According to a source, on the eve of the "two sessions," the CPPCC National Committee issued a document marked "Internal Document, Not To Be Leaked Outside," which calls on all CPPCC members to issue unified statements in interviews with Hong Kong, Taiwan, and other overseas reporters. In particular, they should not willfully speak on sensitive issues, such as cross-strait relations and the anti-corruption struggle. NPC deputies have also been reminded to take into account the overall situation of "stability" when airing their views.

Moreover, the Propaganda Department of the CPC Central Committee called on all the major media in China before the meetings to focus more on the achievements and good news and less on the bad news when reporting the "two sessions" and not to add chaos to the situation.

To coordinate with the "two sessions," GUANGMING RIBAO prepared a special article on agriculture in which some passages touched on the current agricultural crisis. As a result, a person in charge of the Propaganda Department of the CPC Central Committee personally made a telephone call to GUANGMING RIBAO, demanding that the article be rewritten. The article has now been revised in such a way that it is totally devoted to reporting agricultural achievements.

**High-Level Power Struggle Becomes Fiercer**

Indications show that there will be no major personnel adjustments at the current "two sessions." Machine-Building Industry Minister He Guangyuan was relieved of his post at the NPC Standing Committee meeting on 1 March, with Vice Minister Bao Xuding taking over the portfolio. The "two sessions" will not make further personnel changes at the ministerial level.

On the eve of the "two sessions," the political situation in Beijing is calm superficially, but the high-level power struggle reportedly has become fiercer. During the Spring Festival, NPC Chairman Qiao Shi, Vice Chairman Tian Jiyun, and Central Military Commission Vice Chairman Liu Huaqing, as well as former state president Yang Shangkun, gathered in Guangdong.



while General Secretary Jiang Zemin, who had not made an appearance for days after the Spring Festival, was also said to have gone to Guangdong.

The high-level officials surely met for a political transaction. Jiang has been in a very passive position on the question of NPC Vice Chairman Li Peiyao's murder and the fall of Ba Zhongtan, commander of the People's Armed Police Force.

Beijing analysts believe that the high-level power struggle will continue after the event. As a result of the Li Peiyao incident, public security has again become a hot topic of discussion at the current two sessions. Compared with the two sessions several years ago, security precautions during the current two sessions have markedly been stepped up.

**PRC: NPC Secretariat Installs Computers for NPC Deputies**

OW0403143696 Beijing ZHONGGUO XINWEN SHE  
in English 0332 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 4 (CNS) — For the benefit of delegates attending the fourth session of the Eighth National People's Congress (NPC), the NPC Secretariat has installed computers in both the main lounge of the People's Great Hall, where the meetings are to be held, and in the Jingxi Hotel at which the delegates are staying to enable them to gain access to computerised information.

This service, which originated five years ago, aims to assist delegates with ready access to relevant information and statistics prior to their review of motions and submission of proposals in a bid to raise the efficiency and quality of their presentations.

Secretariat official Wang Aimin, the organizer of the service, said that delegates had spoken highly of the system and thought it an extremely useful tool to enable them to quickly and accurately retrieve desired information.

The fact that an increasing number of delegates were using the system proved its utility. Some delegates even used it to obtain information as a basis for their presentations. The NPC would further review and update the database to make it China's most accomplished computerised information system.

Information obtainable from the computerised network is threefold namely:

1. Existing laws, administrative regulations and judicial interpretations as well as regulations which are of limited application to, for example, departments and or-

ganisations under the State Council, local governments and autonomous regions.

2. All matters promulgated by the NPC Standing Committee, including bills discussed by the committee and laws adopted by the full congress, international treaties with explanatory notes, the Premier's Report on the Government, national economic and social development plans, budget estimates, NPC Standing Committee reports and those of the Supreme People's Court and Supreme People's Procuratorate.

3. Integrated economic statistics relating to GDP, population, foreign trade together with rural economic indices in 2,300 cities and counties between 1985 and 1994 as well as major economic and social development indices pertaining to Hong Kong, Taiwan, Macao and other major countries.

**PRC: Jiangsu Leaders To Attend NPC Session**

OW0403081796 Nanjing Jiangsu People's Radio  
Network in Mandarin 2300 GMT 1 Mar 96

[From the "Provincial News Hookup" program]

[FBIS Translated Text] A total of 437 deputies of Jiangsu Province to the National People's Congress [NPC] left Nanjing by train on the evening of 29 February to attend the forthcoming NPC session by bringing along with them the great trust placed in them by the entire people of this province. Chen Huanyou, secretary of the provincial party committee, Shen Daren, chairman of the provincial people's congress standing committee, and other leading comrades will also attend the forthcoming NPC session. According to the decision made by the NPC Standing Committee, Jiangsu Provincial Governor Zheng Silin will attend the NPC session as a nonvoting observer. Gao Dezheng, vice chairman of the provincial people's congress standing committee, and other leading comrades saw the deputies off at the Nanjing Railway Station. Before leaving for Beijing, people's deputies to the NPC in this province went deeply to the grass-roots units to find out facts in economic and social development in various areas and to solicit the people's opinions on the Ninth Five-Year Plan and the Long-Term Development Program. They thus made good preparations in discussing and handling state affairs at the NPC session.

**PRC: Liu Huaqing To Head PLA Delegation to NPC Session***OW0403115896 Beijing ZHONGGUO XINWEN SHE in Chinese 0601 GMT 3 Mar 96*

[By reporter Li Wei (2621 0251)]

[FBIS Translated Text] Beijing, 3 Mar (ZHONGGUO XINWEN SHE) — The 263-member People's Liberation [PLA] delegation (two members are on leave of absence) to the Fourth Session of the Eighth National People's Congress [NPC] held an inaugural meeting at the Jingxi Guesthouse this evening. General Liu Huaqing, Central Military Commission [CMC] vice chairman, was elected the head of the delegation at the meeting.

Of the 32 delegations to the NPC session, the PLA delegation is the largest in number. On behalf of all officers and men, members of the PLA delegation will solemnly exercise the right of the people to be the masters of the country. Delegation head Liu Huaqing spoke at the meeting. Three other CMC Vice Chairmen Zhang Zhen, Zhang Wannian, and Chi Haotian and CMC member Yu Yongbo were elected deputy heads of the delegation.

**PRC: Namelist of NPC Presidium Approved***OW0403152696 Beijing XINHUA Domestic Service in Chinese 1403 GMT 4 Mar 96*

[Corrected version OW0403102696, as supplied by XINHUA]

[FBIS Translated Text] Beijing, 4 Mar (XINHUA) — The Namelist of the Presidium and Secretary General of the Fourth Session of the Eighth National People's Congress (NPC)

Approved at the preparatory meeting of the Fourth Session of the Eighth NPC on 4 March 1996

The Presidium (160 people, arranged in the order of the number of strokes of their names)

Ding Guangen, Dao Aimin (Dai nationality), Yu Yongbo (Man nationality), Yu Shizhi, Ma Man-kei, Ma Sizhong (Hui nationality), Wang Bingqian, Wang Hanbin, Wang Guangying, Wang Weishan (Mongolian nationality), Wang Chaowen (Miao Nationality), Wang Qun, Wei Yu (female, Zhuang nationality), Mao Dongsheng, Mao Zhiyong, Kang Longtian, Fang Huijian, Deng Xiaoping, Yin Jun (Bai nationality), Aisihaiti Kelimubai (Kazak nationality), Buhe (Mogolian nationality), Lu Gongxun, Lu Jiaxi, Ye Gongqi, Tian Jiyun, Tian Qiyu, Tian Fuda (Gaoshan nationality), Shi Laihe, Sengqen Lozong Gyaincain (Zang nationality), Qu Geping, Zhu Shibao, Zhu Liang, Zhu Senlin, Qiao Shi, Ren Xianchun (Yao nationality), Ren Jiyu, Quan

Shuren, Liu Fusheng, Liu Changyu (female), Liu Fangren, Liu Huaqing, Liu Guoguang, Guan Shanyu, Jiang Zemin, Ruan Chongwu, Sun Qimeng, Sun Honglie, Sun Weiben, Su Xiaoyun (Tujia nationality), Li Changchun, Li Xianyou (Hani nationality), Li Hou, Li Keqiang, Li Zlemin, Li Shaozhen (female), Li Denghai, Li Ruihuan, Li Ximing, Li Hao, Yang Feng (Naxi nationality), Yang Wengui (Li nationality), Yang Daidi (female, Yi nationality), Yang Baibing, Yang Rudai, Yang Jike, Yang Chugui (female, Dong nationality), Yang Xizong, Yang Ming (Bai nationality), Yang Taifang, Wu Renbao, Wu Jieping, He Zhukang, He Kang, Yu Qiuli, Zhang Wannian, Zhang Xingrang, Zhang Kehui, Zhang Boxing, Zhang Yanning, Zhang Jianmin (Man nationality), Zhang Xuwu, Zhang Zhen, Lu Wenfu, Lu Zaide, Amudun Niyaz (Uygur nationality), Chen Guangjian, Chen Zuolin, Chen Zhangliang, Chen Huanyou, Chen Shunli, Chen Muhua (female), Chen Suiheng, Lin Lanying (female), Lin Liyun (female), Luo Shangcai (Buyi nationality), Pagbalha Geleg Namgyai (Zang nationality), Zhou Zhengqing, Zhou Nan, Zhou Jue, Zhou Guanwu, Meng Liankun, Meng Fulin, Zhao Dongwan, Zhao Zhihao, Zhao Zisen, Zhao Fulin, Hao Yichun (female), Rong Yiren, Hu Jintao, Liu Suinian, Huanjue Cenam (Zang nationality), Fei Ziwen, Fei Xiaotong, He Guanghui, Qin Jiwei, Raidi (Zang nationality), Geng Zhaojie, Jia Qinglin, Jia Zhijie, Gu Yongfen, Toinzhub Doje (Zang nationality), Tomur Dawamat (Uygur nationality), Ni Zhifu, Xu Caidong, Gao Dezhan, Gao Chao, Tang Peizhu (female, Zang nationality), Tao Dayong, Huang Ju, Cao Longhao (Korean nationality), Cao Zhi, Zhang Shiming, Zhang Ruiying (female), Yan Haiwang, Liang Guangda, Wei Jianxing, Tu Yourui, Peng Shilu, Peng Qingyuan, Dong Jianhua, Hui Yongzheng, Cheng Siyuan, Cheng Weigao, Fu Quanyou, Fu Tieshan, Zeng Qinghong, Wen Jiabao, Xie Jun (female), Xie Fei, Xie Tieli, Lan Dingshou (Yu nationality), Lei Jieqiong (female), Cai Zimin, Liao Hui, Teng Zhaorong (female, Miao nationality), Teng Teng, Yan Longan, Xue Minglun, Xue Ju, and Fok Ying-tung.

Secretary General

Tian Jiyun

**Qiao Shi Interviewed on NPC Legislation Work***HK0403091796 Beijing RENMIN RIBAO in Chinese 1 Mar 96 pp 1, 2*

["Interview" with NPC Standing Committee Chairman Qiao Shi on the eve of NPC and CPPCC Sessions



by staff reporter: "Speed Up Legislation, Step Up Supervision"]

[PTS Translated Text for FBIS] On the eve of the "two sessions," Qiao Shi, member of the Standing Committee of the CPC Central Committee and chairman of the National People's Congress [NPC] Standing Committee, gave an exclusive interview to a RENMIN RIBAO reporter on further strengthening NPC legislation and supervision work.

[Reporter] The year 1995 was an important one for China's reform, opening up, and socialist modernization program. What work was done by the NPC and its Standing Committee during the year?

[Qiao Shi] Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, and in light of the basic principle of "seizing the opportunity, deepening reform, opening up wider to the outside world, promoting development, and maintaining stability," the NPC and its Standing Committee regarded strengthening socialist democracy and building the legal system as their fundamental tasks; seriously performed the duties authorized by the Constitution; vigorously promoted the building and improvement of the socialist market economic system; promoted sustained, rapid, and normal growth of the national economy and comprehensive social progress; and made new headway in all fields of work.

First, we continued to strengthen legislation work, regarded market economic laws as the focus of legislation, drafted a number of important market economic laws and other laws, made major progress in developing the socialist market economic system, and offered legal guarantees to reform, opening up, and the modernization program.

Second, in light of the provisions of the Constitution, we further improved and strengthened supervision over enforcement of the Constitution and laws and ensured their effective implementation. We strengthened supervision over the work of the State Council, Supreme People's Court, and Supreme People's Procuratorate and supported the work of the state administrative and judicial organs and urged them to seek improvement. The NPC Standing Committee also expanded publicity of the laws in order to increase the sense of the law and legal system of the entire nation.

Third, the NPC and its Standing Committee further strengthen ties with the deputies and the people, and listened attentively to the masses' opinions. They seriously handled the deputies' proposals and suggestions, properly dealt with masses' visits and letters of complaint, organized deputies to conduct inspections, gave

full play to the role of deputies, and aroused the enthusiasm of the masses in being masters of their own affairs.

Fourth, external work of the NPC is an important component of the country's diplomacy as a whole, and it is the regular work of the NPC Standing Committee. In light of the principle of China's foreign policy, the NPC Standing Committee gave full play to its characteristics over the past year, carried out external work at various levels, increased friendship and cooperation between the NPC and foreign parliaments, between China and other countries, and between the Chinese people and those of the world, and vigorously created a fine international environment for China's reform, opening up, and the modernization program.

Fifth, we strengthened ties with the local people's congresses and offered guidance on their work, which included guidance on the ongoing elections at the township level. Over the past year, the local people's congresses and their standing committees followed the provisions of the Constitution and laws, seriously performed their functions, did a great deal of work, and played an important role in the country's political life.

[Reporter] As the NPC and its Standing Committee exercise the state's power of legislation, how many laws did they draft over the past year? How many of these laws are related to the market economy? What significance and influence will these laws have on China's reform, opening up, modernization program, and social development?

[Qiao Shi] To meet the needs of establishing and improving the socialist market economic system, the Eighth NPC Standing Committee proposed developing a legal framework for the socialist market economic system within this term and at the same time perfecting other laws. In light of this requirement, the Standing Committee drafted a five-year legislation plan. In accordance with the plan, the NPC and its Standing Committee examined 37 bills on laws and legal issues, adopted 24 decisions on laws and legal issues, and ratified eight agreements and treaties with other countries in 1995. The pace of legislation has been accelerated and its quality has improved somewhat.

In the laws drafted last year, a total of 13 related to the socialist market economy. To meet the needs of financial system reform, we drafted the People's Bank of China Law, Commercial Bank Law, Insurance Law, Bills Law, Guarantee Law, and the Decision on Punishing Criminal Offenders for Disrupting Financial Order. These laws clearly define the status, responsibilities, rights, and duties of the Central Bank and commercial



banks, stipulate supervision and management over banking and insurance, and standardize bills and guarantee behavior; this provides a forceful legal weapon for promoting financial system reform, ensuring development of banking, and punishing criminal offenses in banking. To maintain the order of state taxation and punish the offenses of abusing value-added tax invoices, we adopted the Decision on Revising the Law on Imposing Taxation. The Decision on Punishing the Illegal Offering, Forging, and Sales of Value-Added Tax Invoices ensured the smooth progress of tax reform. To ensure the smooth implementation of the Insurance Company Law, we drafted a decision on punishing the criminal offense of violating the law. In invigorating the basic and pillar industries, we drafted the Civil Aviation Law and Electricity Law. In environmental protection, we drafted the Law on Preventing Pollution Caused by Solid Waste and adopted a decision on revising the Law on Preventing Atmospheric Pollution. In addition, we also stepped up the amendment of the Securities Bill Law and deliberated the Auction Law, Statistics Law, and other draft laws.

To meet the needs of strengthening the building of socialist democratic politics and improving the organizational system of state organs, we adopted the Decision on Revising the Constitution and the Decision on Revising Local Organization Law. These two decisions summed up and absorbed the mature experience of election work and the building of local political power over the years, which will be of great significance to further developing socialist democracy and improving the system of people's congresses. We also drafted the Judge Law, Procurator Law, and Police Law, which offered the legal grounds for strengthening the building of the contingent of law enforcement officers and genuinely brought management of law enforcement officers onto the track of the legal system.

To meet the needs of strengthening the building of socialist spiritual civilization and developing education, science, culture, public health, and sports, the NPC adopted the Education Law, which was of great significance to improving the entire nation's cultural qualities and giving priority to educational development. The NPC Standing Committee adopted the Sports Law and Food Hygiene Law and deliberated the draft bill on converting the achievements of science and technology.

The NPC Standing Committee deliberated the Draft Criminal Procedural Law and Draft Administrative Punishment Law, which are to be submitted to the Fourth Session of the Eighth NPC held in March this year for examination and approval. As the Criminal Procedural Law has been promulgated for 16 years, the current important amendments and supplement will sum

up the practical experience of the past 16 years and meet the needs of building democracy and the legal system. This is a great event in China's building of law and will be of great significance to improving China's judicial system, punishing offenses, safeguarding public order, and ensuring the rights of citizens.

[Reporter] Exercising supervision over the implementation of the Constitution and law, and exercising supervision over the work of the State Council, Supreme People's Court, and Supreme People's Procuratorate are the important powers of the NPC Standing Committee. What work has the NPC Standing Committee done to perform its functions of supervision in 1995?

[Qiao Shi] The NPC Standing Committee insists on attaching equal importance to inspection and supervision over law enforcement and legislation. Over the past year, the committee dispatched 17 inspection groups and focused attention on inspecting the implementation and enforcement of the Decision on Banning Drugs, the Law Protecting Investment by Taiwan Compatriots, the Environmental Law, the Agricultural Law, the Law Protecting the Legitimate Rights of Women, the Resolution on Publicizing the Legal System, and other laws and resolutions. The Standing Committee listened to accounts given by these inspection teams and deliberated their findings. The problems discovered in inspections were handed over to the relevant State Council departments, Supreme People's Court, or Supreme People's Procuratorate for respective examination. The width and depth of law enforcement all exceeded the efforts of the previous year. The NPC special panels also dispatched 27 inspection teams to check enforcement of the Taxation Management Law, Education Law, Regional Autonomy Law, and 10 other laws, which promoted enforcement of these laws.

Centered on the major issues related to reform, opening up, and the modernization program and the "hot topics" of mass concern, listening to and deliberating the work reports of the State Council and its departments, Supreme People's Court, and Supreme People's Procuratorate constitute an important form for the NPC Standing Committee to exercise supervision over the work of these state organs. Over the past year, the NPC Standing Committee listened to and deliberated the State Council report on reform of large and medium-size state enterprises, and urged relevant state departments to cooperate closely and adopt effective measures to speed up reform of state enterprises, particularly large and medium-size state enterprises. In view of the abnormal phenomena of practicing fraud and exaggeration in current statistics work, the NPC Standing Committee listened to and deliberated the State Council report on statistics work and made new requirements on improving the Statistics

Law, strengthening supervision over statistics work, and reforming and improving the statistics system. In the course of deliberation, members criticized some localities' practices that exaggerated or submitted false figures. The relevant localities attached great importance to this trend, promptly punished the practices, and submitted the results to the NPC Standing Committee. The NPC Standing Committee listened to and deliberated the Report on Banning Drugs and Report on Current Social Order, and urged relevant state organs to further implement the principle of developing the material and spiritual civilizations, doing two types of work simultaneously and attaching equal importance to both, improving social order, and creating a fine social environment for the socialist modernization program. The NPC Standing Committee also listened to and deliberated the State Council Report on Implementation of National Economic and Social Development and the state's Report on Final Accounts and approved the state's Final Accounts with the authority of the NPC.

[Reporter] Could you please explain how the NPC and its Standing Committee will further enhance legislation and supervision work this year?

[Qiao Shi] The year 1996 will be the first year of the Ninth Five-Year Plan. The "Proposal of the CPC Central Committee on the Ninth Five-Year Plan for National Economic and Social Development and the Long-Range Target for the Year 2010" adopted by the Fifth Plenary Session of the 14th CPC Central Committee initially proposed establishing the socialist market economic system during the Ninth Five-Year Plan, which should develop to a relatively perfect socialist market economic system by the year 2010. The process of establishing and perfecting the socialist market economic system is one of economic legalization, which must have a corresponding and relatively perfect legal system. Therefore, it is necessary to further speed up the pace of legislation and step up the establishment and perfection of a new legal system corresponding to the new system. The NPC Standing Committee will continue to place economic legislation in an important position in 1996. In light of the five-year legislation program, and in close connection with the reality of reform and development, we shall step up drafting of market economic laws, strive to establish a framework for the socialist market economic legal system, and promote the standardization and legalization of China's economic management system and operation mechanism. At the same time, it is necessary to step up drafting of other laws. Doing a good job of legislation also requires the close cooperation and concerted efforts of various departments and fields. We should strictly implement the responsibility system for drafting laws. The departments and units concerned with

drafting the laws should earnestly strengthen leadership, concentrate forces, and fulfill the task on schedule while ensuring quality. Apart from fulfilling the law-drafting work they have undertaken, the special panels of the NPC should strengthen ties with the relevant law drafting units, clearly understand the situation, and supervise the drafting work. The NPC Standing Committee should strengthen coordination and offer guidance to law drafting work, and help resolve the difficulties and problems encountered in drafting laws.

While speeding up legislation, the NPC Standing Committee should earnestly perform its important functions of supervising the enforcement of the Constitution and laws, and the work of the state's administration, judiciary, and procuratorate. It is necessary to step up efforts to inspect and supervise law enforcement, improve the mechanism, strengthen leadership, and increase the practical results. In 1996 the NPC Standing Committee shall focus its inspection on law enforcement in the market economy and promote the establishment of new standards and a new order for the socialist market economy. At the same time, it shall inspect enforcement of law in science and education so as to promote implementation of the strategy of revitalizing the nation with science and technology. The departments concerned should be urged to seriously resolve problems uncovered in inspection, resolutely put a stop to non-observation and lax implementation of laws, ensure that lawbreakers and those who abuse powers are punished, and step up establishment of a compensation system and a system seeking responsibility of those who knowingly violate the law. It is necessary to continue the system of listening to and deliberating the work reports of the State Council, Supreme People's Court, and Supreme Procuratorate and earnestly strengthen supervision. We should take note of summing up and popularizing the effective supervisory forms and methods created by the local people's congresses in their work and continue to upgrade the level of supervisory work. The Standing Committee should further maintain close ties with the deputies and the masses, fully reflect the opinions and requests of the people, consciously accept the people's supervision, and do a better job of the work in all fields of endeavor.



**PRC: Jiang Zemin Calls For Consensus in Internal Speech***HK0503035196 Hong Kong SING TAO JIH PAO  
in Chinese 5 Mar 96 p A4*

[Report from Beijing by SING TAO JIH PAO news team: "NPC Meeting Opens Today, Jiang Calls for Consensus in Internal Speech"]

[PTS Translated Text for FBIS] Before the opening of the National People's Congress [NPC] session, CPC General Secretary Jiang Zemin made a 20-plus-page-long speech to the heads of all delegations attending the "two sessions." His speech covers many areas. On the question of "giving prominence to politics," he stressed it was not a return to the old path. He said that identifying oneself ideologically and politically with the central authorities has been a consistent tradition of the CPC and must be upheld.

Owing to the current fairly grim political and economic situation in the country, the CPC hierarchy has adopted strict control measures over the ongoing "two sessions" in Beijing. After the NPC deputies and Chinese People's Political Consultative Conference [CPPCC] members arrived in Beijing on the evening of 2 March, Jiang called a special meeting of the heads of all delegations at which he explained various current principles and policies and set demands on the deputies and members attending the meetings.

In his speech Jiang talked about how the central authorities handled and viewed the Li Peiyao incident and how to narrow the gap in development between the eastern and western regions and on the question of the expanding gap between rich and poor in society. Moreover, Jiang pointed out the need to attach importance to the worker-peasant alliance and called on leading cadres to "give prominence to politics."

Jiang pointed out: The worker-peasant alliance has not been given importance for many years. As it is the basis of political power, it should be strengthened in the future. On the question of "giving prominence to politics," Jiang stressed that this was not a return to the old path. The core of "giving prominence to politics" is to identify oneself ideologically and politically with the central authorities. This has been a consistent tradition of the CPC.

Jiang has repeatedly put forward the question of "giving prominence to politics" in recent days. He raised it for the first time in a speech to the National Political Work Conference on 20 December last year, and he raised the same demand when he later inspected the Lanzhou Military Region, People's Armed Police Corps, and JIEFANGJUN BAO Office. Jiang's demand has become

a consensus among the hierarchy, and leading cadres are required to have a correct political idea and support the Jiang core to ensure the unity of the party Central Committee and full implementation of government decrees.

In his report to the CPPCC meeting on 3 March, Ye Xuanping, vice chairman of the CPPCC National Committee, echoed Jiang's demand by saying that in the new year the CPPCC National Committee would give prominence to politics and healthy practices and strive to raise the standard of participation in the administration of state affairs. In his report to the NPC meeting today, State Council Premier Li Peng will not mention the question of giving prominence to politics, but he will call on all people to carry out all fields of endeavor under the leadership of the "Jiang core."

Jiang's speech to the heads of all delegations has been relayed to all CPPCC members and NPC deputies. On the eve of the NPC session, the hierarchy hopes to reach a consensus through the speech so as to turn the "two sessions" into united, stable, and enthusiasm-rousing meetings.

**PRC: RENMIN RIBAO Editorial Greet's NPC Opening***OW0403155896 Beijing XINHUA Domestic Service  
in Chinese 1208 GMT 4 Mar 96*

[RENMIN RIBAO 5 March editorial: "Keeping the Overall Situation of the Century in View, Drawing Up a Major Program for the Nation's Invigoration — Greeting the Opening of the Fourth Session of the Eighth National People's Congress"]

[FBIS Translated Text] Beijing, 4 Mar (XINHUA) — The Fourth Session of the Eighth National People's Congress [NPC] opened in Beijing on 5 March.

The central topic at the current session is to listen to and discuss the report on the outline of the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2010, and to examine and ratify the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2010. The plan and outline will draw up China's national economic and social development process for the coming crucial historic period of five to 10 years, and decide what posture the Chinese nation will take in stepping into the 21st century. The current session undertakes a heavy responsibility, bears far-reaching significance, and attracts world attention.

The year 1995, which has just ended, was the last year of the Eighth Five-Year Plan. During the Eighth Five-



Year Plan, China made great, historic achievements in reform, opening up, and socialist modernization. Its national economy developed rapidly, its comprehensive national strength improved markedly, the people's lives obviously improved, a socialist market economic structure was gradually established, the overall pattern of opening up basically took shape, all kinds of social undertakings achieved tremendous results, and the original target of quadrupling 1980's GNP by the year 2000 was fulfilled last year, five years ahead of schedule. In our implementation of the eight five-year plans, the fulfillment of the Eighth Five-Year Plan was the best, and its results were the most outstanding. History has indisputably proved that the Comrade Deng Xiaoping theory of building socialism with Chinese characteristics is a scientific theory guiding our nation toward invigoration; the party's basic line of "one central task, two basic points" is a correct line guiding our work toward success; the party Central Committee with Comrade Jiang Zemin as the core is a firm and powerful leading center for the entire party and the people of all nationalities throughout the country; and "seizing the opportunity, deepening reform, widening the scope of opening up, promoting development, and maintaining stability" as well as correctly handling the relations between reform, development, and stability are correct principles ensuring our advance from one victory to another in this new period. All this serves as a solid foundation for us to continue our march forward and is a way to victory that must be treasured and upheld.

When the Eighth Five-Year Plan was almost completed, the CPC Central Committee, in its proposal on formulating the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2000, promptly set forth a new target, namely: During the Ninth Five-Year Plan, we will comprehensively fulfill the second-step strategic arrangement for modernization; by the year 2000, we will quadruple the 1980 per capita GNP, the people will become moderate prosperous, and a socialist market economy will be initially established; by the year 2010, we will double the 2000 GNP, making the people's lives more comfortable [geng jia kuan yu 2577 0502 1401 5940] and forming a comparatively perfect socialist market economic structure. The target is grand and encouraging. The outline formulated according to the central proposal will become the determination of the state and the entire people after the current session's ratification, a determination that will unite and encourage the people of all nationalities throughout the country to work with one heart and one mind and build a better future.

At present, we are at an important moment, marching from the 20th to the 21st century. At this juncture of

centuries, recalling the past and comparing it with the present, all sorts of feelings well up in our minds. Looking back at the last juncture of centuries, the end of the 19th century and the beginning of the 20th century, our motherland was suffering from longstanding weakness and poverty. Foreign powers ran amuck, China was humiliated, and its sovereignty forfeited, the people had no means of livelihood, and a darkest, most humiliating, and most bitter page was left behind. Dr. Sun Yat-sen, the great revolutionary predecessor, unfolded the great banner of "revitalizing China" and led the revolution at the beginning of the century. The CPC, the vanguard of the Chinese working class founded during the 1920's, took the scientific theories of Marxism as guidance and serving the people wholeheartedly as the purpose; led the people of the whole country in a prolonged bloody struggle; finally overthrew the three great mountains and established the New China, in which the people are masters of their own affairs; and started large-scale socialist economic construction. Since the Third Plenary Session of the 11th CPC Central Committee, reform and opening up have been carried out, and our great motherland has embarked on the broad road of building socialism with Chinese characteristics. At the time of another juncture of centuries, the socialist New China is not only towering amid the forest of the world's nationalities, but also working hard with full confidence to build itself into a strong, prosperous, democratic, civilized, and modern socialist country. As we are living in this great era, to properly write a most brilliant chapter straddling this century and the next in the history of several thousand years of the Chinese nation is the mission, glory, and pride of people of this generation. To realize the magnificent goal straddling this century and the next, we must maintain and develop the political superiority unique to our socialist system. The system of the people's congresses is China's fundamental political system. The practice in past decades has shown that this system conforms with our country's national condition, accords with the people's will, and is conducive to closely uniting the people of all nationalities, concentrating strength, and accomplishing the great cause. To develop a socialist democracy, perfect the socialist legal system, persist in administering the country according to law, maintain and develop a political situation of stability and unity, and ensure the smooth progress of the reform, opening up, and socialist modernization construction, it is necessary to give full play to the superiority and role of the people's congress system. China's constitution stipulates that examining and approving the national social and economic development plan and reporting on the plan's execution is an important

duty of the National People's Congress. In formulating and implementing previous five-year plans, the National People's Congress has conscientiously fulfilled its duty in a high spirit of assuming responsibility to the state and the people, thereby making an everlasting contribution to the motherland's modernizations. At the current session, the National People's Congress will surely again give even better play to its role as the state's highest organ of power and make new and greater contributions to formulating the Ninth Five-Year Plan and the Long Term Target for 2010, turning the grand cross-century blueprint into reality.

"Climbing atop a mountain to have a commanding view of heaven and earth; water from the vast expanse of the river flows forward without return." The overall international situation at the turn of the century tells us that opportunities and challenges coexist and that cooperation and competition develop together. The cross-century's major policy will be formulated right now. Our task weighs on us like a mountain. Time and tide wait for no man. All souls on the great earth of 9.6 million square kilometers are pricking up their ears and listening carefully to voices from Beijing. There are also 1.2 billion pairs of eyes watching Beijing closely. We wish the meeting a complete success!

**PRC: Jiang Zemin, Li Peng Attend Opening of NPC Session**

OW0503011796 Beijing XINHUA in English  
0109 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — The Fourth Session of the Eighth National People's Congress (NPC), China's top legislature, opened 9:00 A.M. in the Great Hall of the People in Beijing today.

A total of 2793 NPC deputies from different parts of China as well as nearly 2000 members of the Chinese People's Political Consultative Conference (CPPCC), China's top advisory body, are present at today's opening ceremony.

Chaired by Qiao Shi, chairman of the NPC Standing Committee, this morning's conference is also attended by other leaders of the Communist Party of China and the state, including Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yirong.

At the top of the agenda for the 13-day annual session is deliberation of a five-year economic plan to see China through to the next century. Other economic and law issues are on the table.

**PRC: 4th Session of 8th NPC Opens 5 Mar**

OW0503034296 Beijing XINHUA in English  
0305 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — The Fourth Session of the Eighth National People's Congress (NPC), China's top legislature, opened in the Great Hall of the People here this morning.

At the top of the agenda for the 13-day annual session is deliberation of a five-year economic plan to see China through to the next century, making the conference a major event for the country.

At 9:00 A.M. leaders of the Communist Party of China and the Chinese government, including Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yiren and nearly 3,000 NPC deputies, over 1,000 members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), the top advisory body, stood up, and the military band played China's national anthem.

Qiao Shi, executive chairman of the session, chairman of the presidium as well as NPC chairman, presided over today's session.

Li Peng, premier of the State Council, delivered a report titled "Report on the Outline of the Ninth Five-Year Plan (1996—2000) for National Economic and Social Development and the Long-Term Target for the Year 2010."

The outline was drafted by the State Council based on the "Proposal of the CPC Central Committee for the Ninth Five-Year Plan For National Economic and Social Development and the Long-Range Objectives to the Year 2010," which was adopted at the Fifth Plenary Session of the 14th Party Central Committee, with suggestions from different walks of life.

The report expounds the country's economic and social development in the next five years and sets forth the long-range objectives in the first 10 years of the next century.

The nine-part report by the Chinese premier, which falls in about 20,000 Chinese characters, says that China plans to quadruple its per capita gross national product of 1980 under condition that the population in 2000 will have increased by 300 million over that in 1980 and the gross national product in the year 2010 will be double that of the year 2000.

With the fulfillment of these objectives, he said, China's productive forces, comprehensive national strength and the people's living standards will be much higher and its social and economic perspective will have



undergone tremendous historic changes, thus laying a solid foundation for the realization of modernization by the middle of the century.

Li said several major points had been accorded special attention in the formulation of the Outline (Draft), which follows as:

- Correctly handle the relationships between reform, development and stability;
- Vigorously promote the fundamental shift in the economic system and the mode of economic growth;
- Conscientiously resolve major issues bearing on the overall situation of reform and development; and
- The plan must reflect the requirements of a socialist market economy.

In his report, the Chinese premier also put forward the strategies in the next 15 years as well as the entire modernization drive — relying on science and education and achieving sustainable development.

The report gave one seventh of the space to expounding the development of socialist culture and ideology and the strengthening of democracy and the legal system.

He reiterated the principle put forward by Jiang Zemin, general secretary of the CPC Central Committee last year which goes as "We must never seek temporary economic development at the cost of cultural and ideological progress."

On the issue of peaceful reunification of the motherland, he said, "under no circumstances should the status of Taiwan as part of China be changed. The Chinese government and people are determined and capable to safeguard the sovereignty and territorial integrity of the motherland and will never allow the secession of Taiwan from the motherland. No attempt to split the motherland will succeed."

On the international situation and China's diplomatic work, Li said that China is an important force for safeguarding world peace and regional stability. China's development and growth absolutely pose no threat to any country.

Premier Li Peng's report drew repeated and prolonged applause.

More than 1,000 Chinese and foreign reporters covered the conference. Diplomatic envoys of various countries in China were invited to today's opening ceremony, which was televised and broadcasted live by the Central People's Broadcasting Station, China Central Television Station and China International Radio to domestic and foreign audience.

#### PRC: Report on RENMIN RIBAO Editorial on NPC Opening

OW0403144096 Beijing XINHUA in English  
1423 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — PEOPLE'S DAILY, China's leading newspaper, carries an editorial tomorrow hailing the opening of the annual session of National People's Congress (NPC), a conference to discuss matters of vital importance.

The session will play a decisive role on how the Chinese nation will enter the 21st century and the conference is of far-reaching significance, the editorial says.

Since the session will examine and approve the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2010, the conference will play a key part in the process of national economic and social development in the key historical period.

In view of the experience in the past year as well as in the last five years, the editorial says, China has scored historical achievements in reform, opening-up and socialist modernization. The goal to quadruple the GNP in 1980 to be reached in 2000 has been attained five years ahead of schedule, according to the editorial.

"The past five years have been the best years in the periods of all the eight five-year plans China has implemented," the editorial notes.

When China was approaching the end of the Eight Five-Year Plan (1991-2000) period, the Communist Party of China (CPC) Central Committee set forth a proposal on the Ninth Five-Year Plan (1996-2000) for National Economic and Social Development and the Long-Term Target for the Year 2010, which forwarded China's new goals.

These goals are: to complete the second-phase strategic goal in modernization drive and quadruple the per-capita GNP in 1980 by the year 2000 and quadruple the figure in 2000 by the year 2010. This will enable the Chinese people to live a more affluent and comfortable life and form a fairly complete socialist market economy, the editorial says.

"We are at an important juncture of transition from the 20th century to the 21st century," the editorial says, adding that "it is the mission and a glorious, proud task for the people of our generation to write the most magnificent trans-century chapter."

The system of the people's congress is the fundamental political system of China. The practice in the past few decades have proved that the system conforms to



China's national conditions and to the aspirations of the people, and that it enables the country to unite people of various nationalities to achieve great tasks, the editorial says.

While hailing the important role played by the people's congresses in adopting and implementing the previous five-year plans, the editorial believes that the NPC's Fourth Session will make fresh and greater contributions to the formulation of the long-term target for the year 2010 and turn the blueprint for the next five years and 15 years into reality.

**PRC: Summary of Li Peng's Report at NPC Session**  
*OW0503041996 Beijing XINHUA in English*  
*0409 GMT 5 Mar 96*

(FBIS Transcribed Text) Beijing, March 5 (XINHUA) — Chinese Premier Li Peng today elaborated on a trans-century program for China's national economy and social development in the next 15 years at a session of the country's top legislature — the National People's Congress (NPC).

Li Peng said China aims to quadruple its 1980 per capita GDP by the year 2000 even while the country's population will have grown by 300 million in the period. The country will then further double its year 2000 GDP in another ten years — by 2010.

At the Fourth Session of the Eighth NPC which opened here today, the premier expounded on An Outline of the Ninth Five-Year Plan for National Economy and Social Development and Long-Term Goals for the Year of 2010.

He asked the nearly 3,000 NPC deputies to examine his report as well as the draft of the Outline. He also asked members of the National Committee of Chinese People's Political Consultative Conference to put forward suggestions.

The Outline is based on a proposal of the Central Committee of the Chinese Communist Party for formulating the Ninth Five-Year Plan for National Economy and Social Development and long-term goals for the year of 2010, and opinions from all social circles.

Focusing on the Ninth Five-Year Plan (1996-2000), the outline also sets forth in broad terms long-term goals for China's development in the first decade of the next century.

This is the country's first medium- and long-term program since China decided in 1992 to develop a socialist market economy, and it is the first time China has mapped out a 15-year plan. It is meant to link up its development at the end of this century with that at

the beginning of the next. The previous eight five-year plans were all worked out under conditions of central planning.

According to the premier, major tasks as defined in the Outline for the next 15 years include:

— Total grain output will reach 490 billion to 500 billion kg by the year 2000;

— China will launch a number of large projects in water conservancy, energy, transportation, telecommunications and production of important raw materials with concentrated national resources;

— More importance will be attached to supporting development in central and western China, with the goal of narrowing regional gaps;

— In the next five years, China aims to keep its average annual economic growth rate at eight percent, cut the rate of price rises below its economic growth rate, and keep the rate of investment in fixed assets at 30 percent;

— Urban dwellers' per capita income spent on living expenses, after deducting price rises, is projected to grow by about five percent each year, and the per capita net income for farmers at about four percent.

With the fulfillment of the objectives set forth in the outline, Li said, China's productive forces, comprehensive national strength and people's living standard will be much higher, which will lay a solid foundation for the realization of China's modernization by the middle of the next century.

In the process of working out the program, the premier noted, the State Council put much emphasis on correctly handling relations between reform, development and stability, promoting fundamental changes in the economic system and economic growth mode, and solving major issues that affect the overall progress of reform and development.

The program must reflect requirements for developing a socialist market economy, Li said.

To build such an economy, he said, China will spare no efforts in promoting reform of its economic system with focus placed on enterprise reform. One of the goals of reform, he said, is to have most large and medium-sized state-owned enterprises establish a modern enterprise system by the end of this century.

The country will foster a uniform and open market system favoring fair competition and improve its social security system.

In the meantime, China will implement its open policy in greater depth and width, and establish preliminarily

a standardized and uniform external economic system that conforms to international practices.

In the report, Li Peng also put forth proposals on the implementation of two major development strategies crucial for the next 15 years and China's modernization drive: a national revitalization through progresses in science/technology and education, and a sustainable development.

Compared with the previous two five-year plans, promotion of socialist cultural and ideological progress, democracy and the legal system's improvement has a more prominent place in the program. About one seventh of the 20,000-word report is devoted to this topic.

Jiang Zemin, the Chinese Communist Party general secretary and head of state, said last year that cultural and ideological progress should under no circumstances be sacrificed for the sake of short-term economic growth. Premier Li put equal emphasis on the point in his report.

On the issue of promoting a peaceful reunification of the Chinese nation, the premier reaffirmed that a change of Taiwan's status as a part of China is absolutely not allowed. The Chinese government has always favored a peaceful reunification but does not commit itself to abandoning the use of force.

On the international situation and foreign affairs, Li stressed that China is a major force in maintaining world peace and regional stability, and its development and growth in strength will never be a threat to any other country.

Major tasks set forth for the Eighth Five-Year Plan (1991-1995) period have been accomplished in time or ahead of schedule. During the period, annual GDP growth averaged 12 percent, the highest since the founding of New China, he said.

The premier called on governments at all levels to make a good beginning of the Ninth Five-Year Plan this year.

**PRC: Li Peng Rejects Taiwan Split From Mainland**

OW0503031096 Beijing XINHUA in English  
0248 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — Chinese Premier Li Peng reiterated today that under no circumstances shall the status of Taiwan as part of China be changed.

"The Chinese government and people are determined and able to safeguard the sovereignty and territorial integrity of the motherland and would never allow the secession of Taiwan from the motherland," he said. "No attempt to split the motherland will succeed."

Li made the remark while addressing the Fourth Session of the Eighth National People's Congress (NPC), which opened here today.

"The question of Taiwan is China's internal affair, and China will brook no interference by outside forces under whatever pretext and in whatever form," he said. "We are in favor of and have consistently been working for peaceful reunification, but we shall not undertake to renounce the use of force."

"That we shall not undertake to renounce the use of force is not directed against our compatriots in Taiwan, but against the schemes of foreign forces to interfere with China's reunification and to bring about the 'independence of Taiwan,'" he said.

Over the past years, thanks to the efforts of compatriots on both sides of the Taiwan Straits, personal contacts and economic and cultural exchanges between the two sides have developed considerably, he said.

"It has been our consistent stand to end the separation between the two sides of the Taiwan Straits and accomplish the great cause of the peaceful reunification of the motherland in accordance with the principles of 'peaceful reunification' and 'one country, two systems,'" Li said.

He said that the eight-point proposal on promoting the reunification of the motherland put forward by President Jiang Zemin has won warm acclaim from Chinese people at home and abroad.

"Our struggle against attempts by some leading members of the Taiwan authorities to create 'two Chinas' or 'one China, one Taiwan' and to bring about the 'independence of Taiwan' demonstrates our determination and ability to safeguard state sovereignty and territorial integrity," he said.

"We pin our hope on people in Taiwan and sincerely appeal to all Chinese including our compatriots in Taiwan to unite and strive for an early reunification of the motherland," the premier said.

**PRC: Li Peng Touches on Hong Kong, Macao Issues at NPC**

OW0503025996 Beijing XINHUA in English  
0240 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — Chinese Premier Li Peng said that China is making good preparations for resuming its exercise of sovereignty over Hong Kong and Macao.

He made the remark while delivering a report at the Fourth Session of the Eighth National People's Congress (NPC), which opened here today.



The Preparatory Committee of the Hong Kong Special Administrative Region (SAR) under the NPC has been established and concrete preparations for the establishment of the Hong Kong Special Administrative Region have begun. This is a great event in China's effort towards resuming its exercise of sovereignty over Hong Kong, Li said.

"We are convinced that the Preparatory Committee will heed the opinions of people from all walks of life in Hong Kong and successfully accomplish its glorious and sacred historic mission of effecting a smooth transfer of government in Hong Kong," he said.

China will resume its exercise of sovereignty over Hong Kong on July 1, 1997 and Macao on December 20, 1999. "This will be an important milestone in our effort to achieve the reunification of the motherland," he said.

The Chinese government will, as always, implement the principle of "one country, two systems" and make all preparations necessary to this end in accordance with the Basic Law of the Hong Kong Special Administrative Region and the Basic Law of the Macao Special Administrative Region, he said.

"We are ready to strengthen our cooperation with the British and Portuguese governments on the basis of the Sino-British Joint Declaration and the Sino-Portuguese Joint Declaration so as to achieve a smooth transfer of government and maintain long-term prosperity and stability in Hong Kong and Macao," the premier said.

After China resumes the exercise of sovereignty over Hong Kong and Macao, the current social and economic systems in Hong Kong and Macao will remain unchanged. They will enjoy a high degree of autonomy, and will retain their status as free ports, and Hong Kong will retain its status as an international financial, trade and shipping center, he said.

#### **PRC: Li Peng at NPC Views Need for 'Normal' Sino-U.S. Ties**

*OW0503025196 Beijing XINHUA in English  
0246 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — The maintaining of normal relations between China and the United States not only complies with the fundamental interest of the two peoples, but also contributes to peace and stability in the Asia-Pacific region and in the world at large, Premier Li Peng said here today.

Addressing the Fourth Session of the Eighth National People's Congress (NPC) which opened today, Li said that Sino-US relations have undergone serious difficulties, which were entirely due to the unwise China policy of the United States. Thanks to the efforts of the

two sides, their relations have improved to some extent but are still subjected to fluctuations.

The question of Taiwan has always been the most sensitive and important issue in the Sino-U.S. relations, he noted.

"Only when the principles enunciated in the three Sino-US joint communiques are strictly observed and only when the two sides respect each other and refrain from interfering in each other's internal affairs will Sino-U.S. relations achieve sound development," he said.

#### **PRC: Li Peng Views 'Independent Foreign Policy' at NPC**

*OW0503032796 Beijing XINHUA in English  
0249 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China will continue unswervingly to pursue an independent foreign policy of peace, develop friendly relations of cooperation with all other countries and work for the establishment of a just and rational new international political and economic order, Chinese Premier Li Peng said here today.

Addressing the Fourth Session of the Eighth National People's Congress (NPC) which opened today, Li said that in international affairs China will, as always, decide its position and policies for each case on its own merits.

"China will not enter into alliance with any big power or bloc of countries, nor will it handle state-to-state relations by making ideology or social system the criteria," he said. "China firmly opposes one country interfering in the internal affairs of another country with excuses based on issues of nationality, religion or human rights."

It is clear to any unbiased person that China is an important force for safeguarding world peace and regional stability. China's development and growth constitute a contribution to world peace and the progress of mankind; China will absolutely not pose a threat to any country, he said.

China will, as always, pursue a good-neighborly policy, maintain peace and stability and promote economic cooperation in the Asia-Pacific region, he said.

"We shall develop our friendly relations of cooperation with ASEAN countries. We shall maintain and promote our traditional friendship with the Democratic People's Republic of Korea. We shall strengthen our cooperation with the Republic of Korea on the basis of equality and mutual benefit. We shall develop long-term, stable friendly relations with Japan while keeping in mind that past experience, if not forgotten, can serve as a guide

for the future. We shall continue to develop friendly cooperation with Russia and attach importance to letting the two economies complement each other. We shall develop good relations with Central Asian and other CIS countries. We shall continue to develop friendly cooperative relations with countries in Southeast Asia, South Asia and the South Pacific region as well as with all neighboring countries," the premier said.

Li said that it is a fundamental position in China's diplomatic policy to strengthen solidarity and cooperation with the great number of Third World countries.

"Efforts should be made to further intensify exchanges with leaders of these countries so as to deepen mutual understanding, and to increase consultation and cooperation on international issues," he said. "China will continue to provide developing countries with assistance to the full extent of its capacity and to explore new ways of developing mutually complementary economic, trade, scientific and technological cooperation."

China is ready to further friendly relations of cooperation with European and all other countries, expanding economic, trade, scientific and technological cooperation with them on the basis of seeking common ground while putting aside differences and of equality and mutual benefit, he said.

He stressed that China has all along been opposed to the arms race and in favor of real disarmament. China will continue to take an active part in talks aimed at concluding a Comprehensive Nuclear Test Ban Treaty, and will take practical steps to promote international arms control and disarmament.

**PRC: Li Peng at NPC Pledges Further Opening to Outside World**

OW0503024296 Beijing XINHUA in English  
0225 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China will open still wider to the outside world in the coming five years known as China's Ninth Five-Year Plan period (1996-2000), Chinese premier Li Peng said here today.

Li made the remarks in his report delivered at the Fourth Session of the Eighth National People's Congress (NPC), which opened today.

During the Ninth Five-Year Plan period, he said, China should establish in the main a unified and standardized system of foreign economic affairs in line with generally accepted international practices in the economic field in order to meet the requirements of developing a socialist market economy.

The Special Economic Zones should scale new heights by achieving still more and better results. All Special Economic Zones and open coastal cities and areas should actively engage in international economic cooperation and serve as an example and a driving force for economic development in surrounding areas and the rest of the country.

Those areas along main communications lines, the Chang Jiang River and borders as well as those major cities in the hinterland, he said, should bring their own advantages into full play, effectively promote opening-up and stimulate economic development and invigoration.

He announced China will gradually open the domestic market as required by reform and development, particularly such services as finance, commercial outlets and tourism..

China will continue to use foreign funds actively, rationally and effectively, with emphasis placed on better results and higher levels, Li said.

The country will gradually give foreign-funded enterprises the same treatment as their Chinese counterparts, standardize the taxation system and levy taxes that are fair and reasonable to both Chinese and foreign enterprises, thus creating conditions for them to compete on an equal footing. Active efforts should be made to guide and channel foreign funds to basic projects in the areas of energy, communications and agriculture and to the technical transformation of old enterprises, he continued.

In his report, the Chinese premier criticized some Western nations to exclude China out of the World Trade Organization (WTO). Developing economic and technological cooperation with foreign countries not only benefits China but also greatly contributes to the world's economic development, he said.

"Some Western countries are bent on excluding China from the World Trade Organization. Their actions run counter to the purposes of this international organization and also impair its universality and impartiality," he said.

On the development of special economic zones, Li Peng said the state's basic policy for the Special Economic Zones and the Shanghai Pudong New Area will remain unchanged, while certain readjustments and improvements will be made in some specific rules and regulations in the course of developing a socialist market economy.



**PRC: Li Peng on 4 Key Points in Formulating Outline***OW0503014996 Beijing XINHUA in English  
0138 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China should accord special attention to four points in formulating the Outline (Draft) in accordance with the guiding principles put forward by the Central Committee of the Communist Party of China (CPC) in its Proposal, said Li Peng, premier of the State Council today.

Addressing the opening ceremony of the Fourth Session of the Eighth National People's Congress (NPC), Li said the four points are: correctly handling the relationships between reform, development and stability; vigorously promoting the fundamental shift in the economic system and the mode of economic growth; conscientiously resolving major issues bearing on the overall situation of the reform and development and the plan reflecting the requirements of a socialist market economy.

In his speech titled "Report on the Ninth Five-Year Plan (1996—2000) on National Economy and Social Development and Long-Term Target for the Year 2010", Li said, it is vital that the relationships between reform, development and stability be handled properly, as the national situation will undergo changes and we will be faced with new tasks in the next 15 years.

"Development requires emphasizing improvement in quality and performance as well as optimizing structure; reform requires breakthroughs in the solution of key and difficult problems," the Chinese premier said, adding that all this will give rise to change in the make-up of various interests and social relationships, and China must therefore pay close attention to the maintenance of political and social stability.

"We should handle well the overall relationships between reform, development and stability, and ensure that they are coordinated with and promote each other," he said.

The key to the fulfilment of the objectives in our endeavors for the next 15 years lies in the shift from a planned economy to a socialist market economy and from extensive mode to intensive mode in economic growth, he said.

He urged the country to follow the general laws of market economy in shifting the economic system, while adhering to the socialist orientation.

In shifting the mode of economic growth, Li Peng said China should improve the overall quality and the efficient allocation of the key elements of production,

and lay emphasis on good economic returns through optimized structure, economy of scale and scientific and technological advancement.

How to strengthen agriculture as the foundation of the economy; how to do well in the reform and development of state-owned enterprises; how to control inflation and maintain macro-economic stability; how to develop education, science and technology; how to control population growth and protect resources and the environment; how to narrow regional disparities in development and rationalize income distribution; how to strengthen socialist culture and ideology, democracy and the legal system; how to promote an honest and industrious government and fight corruption; and how to improve all facets of public security, these are all major issues that need to be accorded attention in reform and development, he said.

Therefore, the premier added, the Outline (Draft) is the first medium- and long-range plan in our endeavor to develop a socialist market economy.

China should stress the basic role of the market in allocating resources under the state's macro-control and emphasize the macro-economic, strategic and policy characteristics of the state plan.

In general, the planned targets should be prospective guidelines, with emphasis on the direction and the tasks of economic and social development, on the corresponding development strategies and measures, on the aggregate targets for economic and social development and structural changes, and on a number of major projects that are of overall importance. The rest of the targets and projects will be incorporated into future annual plans.

The Outline (Draft) focuses on the Ninth Five-Year Plan and gives only a broad outline for the following 10 years so as to link it with our development in the early 21st century and maintain the continuity of the three-step development strategy, Li Peng said.

**PRC: Li Peng Outlines 1996 Development Goals at NPC***OW0503033196 Beijing XINHUA in English  
0253 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China aims to keep this year's economic growth rate at eight percent, inflation at 10 percent, and the rate of investment in fixed assets at 32 percent, Chinese Premier Li Peng said here today.

In his address at the Fourth Session of the Eighth National People's Congress, Li Peng said that implementation of the Ninth Five-Year Plan (1996-2000) begins

in 1996 and that it is crucial to have a good start. China should concentrate on changing the economic structure and economic growth mode, and plan and accomplish work on all fronts.

The premier said China last year achieved new successes in reform and opening to the outside world, and in economic and social development, accomplishing all tasks set at the Third Session of the Eighth National People's Congress held a year ago.

He gave the following facts and figures on China's economic development last year:

- The GDP increased by 10.2 per cent over the previous year, and inflation dropped from 21.7 percent to 14.8 percent;

- Total grain output reached a little more than 465 billion kilograms, an increase of about 20 billion kilograms;

- Total foreign trade volume amounted to more than 280 billion US dollars, an increase of 18.6 per cent. And actual direct foreign investment came to more than 37 billion US dollars, while the investment structure improved to some extent;

- Foreign exchange reserves increased considerably and exchange rates between the rmb and hard currencies remained stable;

- Urban and rural dwellers' savings deposits increased by more than 800 billion yuan.

**PRC: Li Peng Reviews 8th Plan Results at NPC**

OW0503014196 Beijing XINHUA in English  
0129 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)

- In the report addressed to the Fourth Session of the Eighth National People's Congress, which opened here today, Chinese Premier Li Peng provided the following facts and figures for national economic and social development during the period of the Eighth Five-Year Plan (1991-1995):

- With an annual economic growth rate of 12 percent on average during the five years, China scored a GDP of 5.76 trillion yuan in 1995, accomplishing the target of quadrupling the 1980 GDP by the year 2000 five years ahead of schedule;

- Agricultural output increased by an average rate of 4.1 percent annually;

- The growth rate for industrial output averaged 17.8 percent each year;

- More than 840 large and medium-size capital construction projects were completed;

- A total of 11,000 km of railway tracks were laid, and the Beijing-Kowloon Railway line running through China's northern and southern and northern parts completed two years ahead of time;

- More than 70,000 megawatts were added to its power-generating installed capacity;

- Over 580 million lines of telephone exchanges were added;

- China utilized over 160 billion US dollars in actual overseas investment, in which direct investment by overseas businesses accounted for 70 percent;

- China had a foreign exchange reserve of 73 billion US dollars by the end of 1995;

- Deducting from price increase factors, the average per-capita income used by urban dwellers for living expenses rose by 7.7 percent each year, and the average per-capita net income for rural residents went up by 4.5 percent, while the annual average rise in total retail sales of consumer goods was 10.6 percent;

- People's savings deposits approached three trillion yuan at the end of 1995, an increase of over two trillion from the end of the Seventh Five-Year Plan (1986-1990);

- The population living in deprivation dropped from 85 million at the end of the Seventh Five-Year Plan to 65 million currently;

- New housing for urban and rural inhabitants with a total of 4.3 billion sq. M. Of floor space was built;

- A system of five work days per week was introduced in cities and towns;

- During the five years, 160,000 scientific and technological findings were officially recognized by ministries and national commissions were achieved;

- Population growth dropped from 14.39 per thousand in 1990 to 10.55 per thousand in 1995.

**PRC: Li Peng Outlines Key Development Goals at NPC**

OW0503014596 Beijing XINHUA in English  
0131 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)

- Premier Li Peng elaborated China's development program in the next 15 years while addressing the Fourth Session of the Eighth National People's Congress, which opened here today.

Li's report included the following points:



— China aims to quadruple its 1980 per capita GDP by the year 2000, under condition that the population in 2000 will have increased by 300 million over that in 1980, and to raise people's living standard to that of a fairly comfortable life with poverty practically eradicated;

— The GDP in the year 2010 will be double that of the year 2000, and people will enjoy an even more comfortable life;

— The total grain output must reach 490 billion to 500 billion kg by the year 2000, and China will try to solve the food problem by relying on its own efforts;

— In the coming 15 years, the state will concentrate necessary resources on a number of large projects, including the key water conservancy projects at the Three Gorges on the Chang Jiang River and at the Xiaolangdi on the Yellow River, the project to divert water from the South to the North, coal production bases in Shanxi, Shaanxi and Inner Mongolia, the Nanchang-Kunming Railway and the southern Xinjiang railway, main national highways and main fiber-optic telecommunications lines and a number of large sea ports and airports;

— The objectives of macro economic control for the Ninth Five-Year Plan period are an average annual economic growth rate of about 8 percent and a fixed-investment rate of 30 percent;

— During the Ninth Five-Year Plan period, urban dwellers' per capita income spent on living expenses, after allowing for price rises, is expected to increase by about 5 per cent annually, and the per capita net income for farmers is expected to grow by about 4 per cent annually;

— The state must, with concentrated efforts, do well in the reform and development of 1,000 large state-owned enterprises and enterprise groups in the near future;

— China will make nine-year compulsory education universal, and eliminate in the main illiteracy among young and middle-aged people by the year 2000;

— China aims to keep its population under 1.3 billion by the year 2000, and under 1.4 billion by the year 2010;

— By the year 2000, China will try to bring under initial control the aggravating pollution and ecological damage, and the environmental quality in some cities and areas should have improved to some extent;

— China will develop a health care system which ensure that basic health care is gradually provided for everyone during the Ninth Five-Year Plan period. It will also attach importance to rural medical and health work, develop a complete network of health care at the county,

township and village levels, and improve the quality of drinking water and hygienic standards in rural areas;

— China aims to keep this year's economic growth rate at 8 percent, price rises around 10 percent, and fixed-investment rate at about 32 percent.

#### PRC: Li Peng Outlines 15-Year Development Goals at NPC

OW0503015396 Beijing XINHUA in English  
0138 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)

— China is to attain the second-phase goals of its strategic modernization plan in the next five years and the third-phase goals in the following ten years, Chinese Premier Li Peng said.

Addressing the Fourth Session of the Eighth National People's Congress (NPC), which opened here today, Li Peng said that China aims to quadruple its 1980 per capita GDP by the year 2000, when its population will have been 300 million greater than that in 1980, raise people's living standard to that of a fairly comfortable life with poverty practically eradicated, expedite the formulation of a modern enterprise system and establish preliminarily a socialist market economy.

Li told NPC deputies that China aims at doubling its year 2000 GDP by 2010. "By then, the Chinese people will enjoy an even more comfortable life while a more or less ideal socialist market economy will have come into being," he said.

While carrying out reforms and stepping up development, the premier said, China must achieve marked results in promoting socialist culture and ideology, and in strengthening socialist democracy and the legal system so as to attain all-round social progress.

This goal is worked out by the State Council on the basis of relevant proposals put forward by the Central Committee of the Communist Party as well as views and opinions from all social circles.

With the fulfillment of these objectives, Li said, China's productive forces, comprehensive national strength and people's living standard will be much higher, and its social and economic outlook will have undergone tremendous historic changes, which will lay a solid foundation for the realization of modernization by the middle of the next century.

The premier said, "These objectives are grand but will definitely be achieved through our hard work."

To achieve the above-mentioned objectives, Li told the deputies, China must consistently follow Deng Xiaop-

ing's theory of building socialism with Chinese characteristics and the basic policy line of the Party, adhere to the principle of "seizing the current opportunity to deepen the reform and open China wider to the outside world, promoting development and maintaining stability," and conscientiously carry out the nine major principles guiding the national economy and social development as stated in a recent Party Central Committee proposal.

The nine major principles are as follows: maintain a sustained, rapid and sound development of the national economy; energetically promote a shift in the mode of economic growth by making higher economic returns the focus of our economic work; implement the strategy of revitalizing the nation by relying on science and education and help forge close ties between science, technology, education and economy; give top priority to agriculture in national economic development; focus on the reform of state-owned enterprises as being central to economic restructuring; unswervingly open up to the outside world; integrate market mechanism with macro economic controls and give proper guidance, protection and full play to the initiative of all social circles; stick to a coordinated economic development among different areas and gradually narrow the gaps between them; maintain synchronized progress in material civilization and socialist culture and ideology, and coordinated economic and social development.

**PRC: Li Peng Cites Meeting Economic Goals Ahead of Target**

OW0503012996 Beijing XINHUA in English  
0113 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — Chinese Premier Li Peng announced that China's GDP in 1995 reached 5.76 trillion yuan to attain the goal of quadrupling its 1980 GDP by the year 2000 five years ahead of schedule.

Li made the announcement in his report on China's development plans delivered at the Fourth Session of the Eighth National People's Congress, which opened here today.

During the Eighth Five-Year Plan period (1991-1995), the premier said, the rural economy developed in an all-round way with agricultural output increasing at an average annual rate of 4.1 percent and township and village enterprises maintaining a good growth momentum.

Industrial output increased by 17.8 percent per annum on average and the readjustment of the product mix was accelerated as reflected in a considerable increase in the output of coal, electricity, iron and steel, motor

vehicles, chemical fibers, chemical fertilizer, household electrical appliances, and in the ample supply and increased variety of light industrial and textile products, the premier said.

Tremendous advances were made in key construction projects and more than 840 large and medium-sized capital construction projects were completed, adding to capabilities in transport, communications and energy sectors. Over 11,000 kilometers of railway tracks were laid and the Beijing-Kowloon Railway running through north and south China was completed two years ahead of schedule. The construction of high class highways, ports and airports went full steam ahead. A total of more than 70 million kilowatts of power-generating capacity was added. A rapid headway was made in post and telecommunications with an addition of 58 million telephone lines. New progress was made in geological prospecting. Successes in developing basic industries and infrastructure eased "bottleneck" constraints on economic growth, providing additional strength for future economic development, the premier said.

Breakthroughs were achieved in economic restructuring during the five years. The pace of reform was quickened in line with the objective of building a socialist market economy. A new financial system centering on a revenue-sharing system and a new tax system with value-added tax as its main component were basically established and began smooth operation. Non-commercial and commercial finance were separated preliminarily, and the official rate of exchange for the RMB [renminbi] was made uniform with the market rate, Li Peng said.

In the meantime, the framework of a new macro-control system took shape and marked results were achieved in stepping up and improving macro-controls. Price control was further relaxed with the market playing a much greater role in resource distribution. New advances were made in the reform of state-owned enterprises, rural areas, the systems of planning, investment, circulation, social security, and housing, and in reform of the government structure.

Li said China opened up further to the outside world in both scope and scale during the Eighth Five-Year Plan period, which resulted in the evolution of a pattern of overall opening up, encompassing both the coastal and inland areas and ranging from ordinary processing industries to basic industries and infrastructure.

Total imports and exports exceeded 1,000 billion US dollars, double that in the Seventh Five-Year Plan period, the premier said. The investment structure improved; over 160 billion US dollars worth of foreign capital was used, of which direct foreign investment



accounted for 70 per cent. Advanced technology and managerial expertise introduced from abroad helped improve China's manufacturing technology and management. International tourism grew rapidly. By the end of 1995, China's foreign exchange reserves totaled more than 73 billion US dollars, which enhanced the country's capability to make international payments.

From 1991 to 1995, the premier said, urban and rural residents in China were getting nearer to the goal of being comfortably off.

The average per capita income used by city dwellers for living expenses increased by 7.7 percent per year after allowing for price rises, and the average per capita net income for people in the countryside went up by 4.5 percent per year. The annual average rise in total retail sales of consumer goods was 10.6 per cent. Savings deposits of residents approached 3,000 billion yuan at the end of 1995, an increase of over 2,000 billion yuan from the end of the Seventh Five-Year Plan. Urban and rural employment kept rising.

Li said much was achieved in the fight to shake off poverty, and the population living in deprivation dropped from 85 million at the end of the Seventh Five-Year Plan to 65 million currently. New housing for urban and rural inhabitants with a total of 4.3 billion square meters of floor space was completed, increasing the per capita living space. The system of five work days per week was introduced in cities and townships.

Scientific, technological and educational undertakings continued to forge ahead, he said.

In the past five years, 160,000 scientific and technological results officially recognized by the ministries and commissions were achieved and the translation of these results into productive forces accelerated. Significant progress was recorded in making nine-year compulsory education universal. Rapid advances were recorded in secondary vocational education and great strides were made in the reform of the higher education system. Success in family planning resulted in a drop in population growth from 14.39 per thousand in 1990 to 10.55 per thousand in 1995, marking an initial success in containing excessive population growth. New progress was also made in literature and art, radio, film, television, the press, publishing and social sciences.

**PRC: Li Peng at NPC on Future Opportunities, Challenges Development**

OW0503013996 Beijing XINHUA in English  
0130 GMT 5 Mar 96

(FBIS Transcribed Text) Beijing, March 5 (XINHUA)  
— A simultaneous existence of opportunities and chal-

lenges is what China faces when the country with a population of 1.2 billion tries to achieve its modernization goal, Chinese Premier Li Peng said here today.

In his report on an Outline of the Ninth Five-Year Plan for National Economy and Social Development and Long-Term Goals for the Year of 2010 submitted for examination to the Fourth Session of the Eighth National People's Congress, Li Peng said the next fifteen years are an important period that links China's past with its future.

The premier said, "A comprehensive evaluation of the domestic and international situations at the turn of the century shows that we are presented with serious challenges as well as rare historical opportunities."

He said, China has laid a relatively solid material and technological foundation through years of socialist construction, especially since the implementation of the policy of reform and opening to the outside world. The vast domestic market and the relatively large savings deposits are a tremendous promise for development. In-depth reform and opening up will further invigorate economic development. Social stability and national unity provide the basic guarantee for the modernization drive.

More important, the premier said, the theory, line and policy of building socialism with Chinese characteristics, which have evolved through practice, clearly indicate the direction for continued progress.

Viewed from a global perspective, Li said, the peaceful international environment and China's good peripheral relations can be expected to continue and therefore China can persist in its efforts towards economic development. And scientific and technological advances in the world and the industrial restructuring and rapid economic growth in the Asia-Pacific region provide favorable conditions for economic development in China.

However, he pointed out, there are quite a few factors that impede progress in China's medium- and long-term development. Key factors are: heavy burdens with respect to population and employment, relative deficiency in per capita resources, the overall poor quality of the national economy, pressures in matching the economic scientific and technological superiority of developed countries in increasingly stiff international competition and pressures exerted by hegemonism and power politics in international relations.

The premier said, "We must be vigilant in peace time, work with a pioneering spirit and make greater strides on the road to modernization." (THIS REPORT MAY CONTAIN COPYRIGHTED MATERIAL. COPYING AND DISSEMINATION IS PROHIBITED WITHOUT

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**PRC: Li Peng on Industrial Structure Readjustment**  
*OW0503020196 Beijing XINHUA in English*  
0155 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)  
— China will actively promote readjustments in industrial structure and continue to strengthen the infrastructure and basic industries, make great efforts to reinvigorate the pillar industries and actively develop the tertiary industry, the Chinese premier said here today.

In his report delivered at the Fourth Session of the Eighth National People's Congress (NPC) which opened today, Li Peng, premier of the State Council, said the construction of the infrastructure and basic industries must be brought into step with the level of national economic development.

In the coming 15 years, he said, the state will concentrate necessary resources on a number of large projects concerning water conservancy, energy, communications, telecommunications and major raw materials.

These projects will include the key water conservancy projects at the Three Gorges on the Chang Jiang River and at the Xiaolangdi on the Yellow River, the project to divert water from the South to the North, the coal production bases in Shanxi, Shaanxi and Inner Mongolia, the Nanchang-Kunming Railway and the southern Xinjiang railway, major state highways and main fiber-optic telecommunications lines and a batch of large sea ports and airports, he said.

The Chinese premier told deputies present at the NPC's annual session that China will continue to invigorate such pillar industries as machine-building, electronics, petrochemicals, automobiles and the construction industry according to market demand so as to stimulate the growth of the entire economy.

In developing pillar industries, he noted, the initial technology must be relatively advanced. While importing advanced technologies, China should boost our own technological development and renovation capabilities, build up the scale of economies and pay attention to economic returns.

Li Peng said that developing light industry and textiles is of major importance in meeting the daily needs of the people, expanding export and in accumulating funds for construction. The readjustment of the product mix must be accelerated to adapt to the changes in the domestic and international market. "We must improve product quality and increase variety and specifications, thus enhancing product competitiveness," he added.

Vigorous development of tertiary industries must be based on the development of the primary and secondary industries so as to develop rational distribution and structures, he said.

China will continue to develop commercial outlets and services and expand tourism and intermediary services such as information and consulting services, standardize and develop finance and insurance, and guide the real estate sector onto a path of sound development.

The important role of the tertiary industry must be enhanced in raising efficiency, increasing employment opportunities in urban and rural areas and making the people's life easier.

**PRC: Li Peng Outlines 1996 Economic Targets at NPC**

*OW0503022696 Beijing XINHUA in English*  
0216 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)  
— China has set the objectives of macroeconomic control for the Ninth Five-Year Plan period to about 8 percent average annual economic growth, a 30 percent rate of investment in fixed assets, and a marked drop in the margin of price rises, Chinese premier said here today.

In his report delivered at the Fourth Session of the Eighth National People's Congress (NPC) which opened here today, Li Peng said such objectives have been set based on the overall analysis of conditions in all sectors of the economy.

He said China will continue to tighten and improve macroeconomic control and regulation and strive to maintain macroeconomic stability.

Li warned that the present price rise margin is still on the high side. This, in addition to the continued efforts required to rationalize prices during the Ninth Five-Year Plan period, will result in heavy pressures in respect to price rises.

Therefore, he said, China must make inflation control the number one task in our macroeconomic control in order to avoid big fluctuations in the economy.

In a speech last September, Li said, "To maintain a stable macroeconomic development, achieve the basic balance between total social demand and supply and curb price hikes to the limit which can be tolerated by various sectors of social life are important issues in China's development, reform and social stability."

To maintain a stable macroeconomic development, Li urged localities to maintain a reasonable scale of



investment in fixed assets and in on-going construction projects, intensify adjustment of the investment structure and increase investment returns. Efforts must be made to continue the appropriately tight financial and monetary policies.

He told deputies present at today's conference that the state is now experiencing financial difficulties. As a first step in ameliorating this financial situation, China must continue its efforts to improve the taxation system, readjust certain tax rates, broaden the basis of tax sources, abrogate tax reductions and exemptions, strengthen tax collection and management, increase income and cut down spending, gradually reduce deficits and realize a basic balance in revenue and expenditure.

Li urged localities to make further efforts to control the total money supply as appropriate so as to maintain a stable currency. China must adjust restructure of loans in accordance with industrial policies and credit principles, and increase efficiency in the use of funds. China must maintain an approximate equilibrium of balance of payments and further enhance its capacity to make international payments.

**PRC: Li Peng Views Economic Restructuring in NPC Report**

OW0503023796 Beijing XINHUA in English  
0219 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China will be bold in exploring and blazing new trails and push ahead with the reform and opening-up to establish a socialist system of market economy by the end of this century, Chinese premier Li Peng said today.

In his report delivered at the Fourth Session of the Eighth National People's Congress (NPC), which opened here today, Li elaborated the principles and policies concerning economic restructuring in five pages of his 43-page report.

It is the crux of the matter to initially setting up a socialist system of market economy to establish a modern enterprise system and do a good job in the reform and development of state-owned enterprises, he said.

In the reform of state-owned enterprises, he said, China must aim at running well state-owned economy as a whole. It must give priority to key points and provide specific instructions.

The state must, with concentrated efforts, do well in the reform and development of 1,000 large state-owned enterprises and enterprise groups in the near future, transforming them into corporate entities and

market competitors that operate independently, assume responsibility for their own profits and losses, and exercise self-restraint in their own development so that they can play a backbone role in national economy, he said.

The Chinese premier urged the central and local governments to conduct experiment of enterprise reforms with some breakthroughs to be made in the focal points and difficult issues. Efforts must be made to combine pilot urban reform projects with the reform of enterprises.

Li noted that China should reinvigorate smaller state-owned enterprises by way of re-organization, association, merger into joint stock partnership, leasing, contractual operation or sell-out, as their specific circumstances permit.

To realize the principle of "selecting the superior and eliminating the inferior," the state will appropriate a special fund during the Ninth Five-Year Plan period to encourage the merging of enterprises, offset debts incurred by bankrupt enterprises, he added.

Li emphasized the importance of cultivating a unified and open market system with orderly competition. Positive but cautious steps must be taken to foster a comparatively perfect money market as well as markets in such key areas as real estate, labor, technology and information.

Li called on localities to further renovate the investment system. China shall establish the major investor system and gradually develop fund-raising through the market, he added.

When an enterprise acts as the major investor, the enterprise and the financial institution undertake the risk and liability for the investment. When a government organization or social welfare organization acts as the major investor, its risks and liabilities must also be defined. In the future, for incipient production and operational projects, the legal persons should be held responsible. The state will invite public bidding for new key construction projects and select legal persons for the projects through fair competition. Disparity in distribution.

During the Ninth Five-Year Plan period, China must step up the reform of the old-age insurance, unemployment insurance and health insurance systems, he said.

China must also establish a multi-tiered social security system which is compatible with China's national conditions by developing relief programs, social welfare, undertakings which provide special care and jobs for

disabled servicemen and family members of revolutionary martyrs and servicemen, and social mutual assistance, and by encouraging personal savings, he said.

The expenses for old-age and health insurance for staff and workers in cities and towns shall be borne jointly by the state, the work unit and the individual, integrating overall social planning with personal savings, he continued.

Efforts must be made to develop commercial insurance to give full scope to its supplementary role in social security. Unemployment insurance coverage shall be enlarged by establishing a system combining unemployment compensation with re-employment opportunities. Social security funds of different types should be raised from a variety of channels, attentively managed and put to good use.

Governments at all levels should earnestly alter their functions according to the requirements of developing a socialist market economy, separating their administrative functions from enterprise management, and raise their managerial level. The Central Government should employ mainly economic means as well as legal means supplemented by necessary administrative means to exercise macro-control over the national economy, he said.

Li called for further efforts to be made to readjust and reform the government setup, gradually transforming comprehensive economic departments into authoritative macro-control organs with unified functions and gradually turning specialized economic management departments into economic entities without government functions, into state-authorized firms engaged in operating state assets, or into management organizations of various trades. Other government departments should also make rational adjustments.

**PRC: Li Peng Pledges More Attention to Developing Interior**

OW0503022296 Beijing XINHUA in English  
0208 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China will pay more attention to the development of its midwestern parts, introduce policies conducive to slowing down the widening of regional disparities and strive to narrow them, said Chinese Premier Li Peng today.

In his report delivered at the Fourth Session of the Eighth National People's Congress (NPC), which opened here today, Li listed several major policies and measures to be adopted by the central government in the coming five years:

— Stepping up resources surveying in the central and western parts of the country, giving priority to resource development and infrastructure projects and gradually increasing financial support to these regions and the investment in their construction;

— Adjusting the distribution of the processing industries by guiding the transfer of resource-processing and labor-intensive industries to the central and western parts of the country; rationalizing the prices of resources products so as to enhance the self-development capabilities of the central and western regions;

— Improving the investment environment in the central and western parts of the country and directing more foreign investment towards these regions;

— Strengthening economic association and cooperation between the eastern and the central, western parts of the country; encouraging to invest more in the central and western parts and directing talented personnel flow towards the central and western regions.

Li noted that the central and western parts of the country have a great potential for development. So long as they accelerate the pace of reform and opening up and invigorate their economies, they can certainly speed up development and some of them may even overtake the currently more developed regions.

On the disparities in development between different regions, Deng Xiaoping once said, "China should bring the issue into attention and try to solve it when we live a relatively more comfortable life at the end of this century."

Li Peng, in his report today, elaborated that disparity in development of different regions is a basic condition in China. It is also a universal law describing the economic development of a big country.

Since the implementation of the reform and opening up, Li said, all regions in the country have achieved much development of their economies. But as the speed of growth has varied, the disparities among the regions have been widened to some extent, Li said.

To promote a coordinated development of regional economies, Li said, the general requirement in this regard is to correctly handle the relationships between the overall development of the national economy and the development of regional economies, and to correctly handle the relationships between the efforts to develop regional economies and the efforts to give full scope to the initiatives of all provinces (municipalities and autonomous regions) in accordance with the principles of unified planning and overall arrangements, proceeding



from actual conditions, displaying advantages and advocating division of labor and coordinated development.

The Chinese premier urged localities to make further efforts to establish and develop a number of economic zones that transcend administrative boundaries, with major cities and vital communication lines as the basis, according to the laws governing the market economy.

Fundamentally speaking, to allow regions capable of development to progress faster is favorable for enhancing the economic strength of the country and for helping backward regions in developing their economies, he said.

The eastern part of the country should utilize its advantages and provide new experience for the nation concerning changing the mode of economic growth, upgrading industrial structure, developing an export-oriented economy and promoting a healthier development of the economy, the Chinese premier said.

**PRC: Li Peng on Importance of Modernizing National Defense**

OW0503023096 Beijing XINHUA in English  
0217 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — It is one of the most important tasks in China's modernization drive to modernize the country's national defense, Premier Li Peng said in Beijing today.

In his report delivered at the Fourth Session of the Eighth National People's Congress (NPC), which opened today, Li said China must accelerate the modernization of national defense and increase its defense capabilities in order to safeguard the security of the country, carry out the strategy of active defense and take the road of fewer but better troops.

Li said China should attach importance to strengthening the army through technology, enhance research in defense-related science and technology, base the development of arms and other military equipment on its own, give priority to developing arms and equipment needed for defense operations under high-tech conditions and lay stress on developing new-types of weapons and equipment.

He said China should continue restructuring national defense-related scientific research and the national defense industry, integrating military with civilian purposes, combining production of peacetime products with wartime products, developing products for civil use such as ships, planes and satellites with the facilities of a high-tech war industry, and gradually establishing an industrial operation system and a mobilization system

for national defense which are adapted to the development of a socialist market economy, Li said.

Li noted that China must strengthen the building of the armed police, conduct education in national defense and heighten awareness about national defense.

He also called on people to do a still better job of encouraging the army to support the government and cherish the people, and encourage civilians to support the army and give preferential treatment to families of servicemen and martyrs so as to consolidate the unity of the army and the government and the unity of the army and the civilians.

**PRC: Li Peng Supports Anticorruption Drive in NPC Report**

OW0503025896 Beijing XINHUA in English  
0230 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — Keeping government employees honest and industrious and combatting corruption is a long-term and arduous task that has a bearing on the success of China's modernization drive, Chinese Premier Li Peng said.

Li made the remark when he explained the country's Ninth Five-year Plan (1996-2000) for national economic and social development and the long-term target for the year 2010 at the Fourth Session of the Eighth National People's Congress (NPC), China's top legislature, which opened here today.

"Government organs, departments under the State Council in particular, should set an example by performing their duties honestly and conscientiously accepting supervision," he said.

Leading cadres, especially high-ranking officials, should do the same. Leaders of state-owned enterprises and undertakings should act judiciously and abide by the law, he said.

"We should investigate cases of law and disciplinary violations, especially major cases, and resolutely put an end to unhealthy tendencies in government departments, trades and professions," he said.

"Those who abuse their power for personal gains and commit bribery or accept bribes in violation of the law should, without fail and regardless of rank, be punished according to law," he said.

He urged officials at various levels to improve judicial work, supervision and auditing. "We should establish and improve a system of guarantees under which government employees are honest and industrious, improve

supervision and inspection, and intensively conduct ideological education, seeking both temporary and permanent solutions so as to prevent and eliminate corruption."

Public servants should keep in close touch with the people. They should avoid a bureaucratic style of work, formalism or deception and be on guard against boasting and exaggeration. They should improve their competence, work diligently, refrain from indulging in empty talk and serve the people wholeheartedly so as to promote fine government conduct and bring about a turn for the better in the general conduct of society, he noted.

Speaking about democracy and the legal system, the premier said that China will continue to promote reform of the political system, establish and improve socialist democracy and guarantee the rights of the people as masters of the country.

During the Ninth Five-Year Plan period (1996-2000), the State Council will lose no time in drafting a number of important laws based on the needs of reform and development and submit them to the Standing Committee of the National People's Congress for examination and approval, he said.

The State Council will formulate some administrative laws and statutes to standardize and safeguard sound social and economic development, he said.

The state will also take effective measures to severely crack down on violent crimes, trafficking in drugs, hoodlums, underground gangs and various criminal activities. "We should continue efforts to eliminate pornography and illegal publications and wipe out prostitution and other social evils so as to purify the social environment," the premier said.

He called on officials to enhance vigilance, guard against and foil attempts by hostile forces to infiltrate, subvert and split China or to carry out sabotage in the country, so as to safeguard national security.

**PRC: Li Peng on Population Control, Environment at NPC**

OW0503025296 Beijing XINHUA in English  
0228 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — Chinese Premier Li Peng said that in the coming 15 years China will control population growth and protect resources and the environment so as to achieve a coordinated and sustained economic and social development.

China will continue to publicize its family planning program in order to enhance the nation's awareness of the population problem, he said.

At the Fourth Session of the Eighth National People's Congress which opened here today, Li delivered a report on the country's Ninth Five-year Plan (1996-2000) for National Economic and Social Development and the Long-term Target for the Year 2010.

China's goal is to keep the total population under 1.3 billion by the year 2000 and under 1.4 billion by the year 2010.

Talking about environmental and ecological protection, and rational exploration and utilization of resources, Li said that China's per capita share of arable land, water, forests and some mineral resources is below the world average.

Since China is on a rapid industrialization course and has adopted methods of extensive production and operation, waste of natural resources and environmental pollution are quite serious, he noted.

With population growth and economic development, this problem will become even worse, he said. Therefore, the state will make greater efforts to conserve and rationally develop and use natural resources, including land, water, forests, grasslands, minerals and biological resources according to law, and do the best to reduce waste.

"We should improve the system of paid use and pricing of natural resources as quickly as possible and establish systems for economic compensation for the renewal of natural resources. We should adhere to the policy of synchronizing the planning, implementation and progress of economic development, urban and rural construction and environmental protection, and ensure that all construction projects meet requirements for environmental protection," the premier said.

He urged governments at all levels to tighten environmental management according to law and, in particular, effectively control and deal with industrial pollution and improve the urban environment.

"We should actively develop ecological agriculture, accelerate the comprehensive control of soil and water loss in afflicted areas, strengthen the improvement of grasslands and sand prevention and control, control pollution of farmland and water and strive to improve the ecological environment," he said.

By the year 2000, China plans to bring under initial control aggravating pollution and ecological damage, and environmental quality in some cities and areas should have improved to some extent, he said.



The Ninth Five-year Plan (1996-2000) for National Economic and Social Development and the Long-term Target for the Year 2010 (draft) consists of 11 parts. The ninth part, entitled Implementing Sustained Development Strategy to Promote Overall Social Development, makes special explanations on the protection and exploration of the state's land resources, environmental and ecological protection, urban and rural construction, and various issues concerning culture, public health and physical culture.

The draft, together with the report by Li Peng, will be examined by deputies at the NPC session.

**PRC: Li Peng on National Minority Area Development**

*OW0503024996 Beijing XINHUA in English  
0233 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China will give greater financial, technical and educational support to national minority areas and provide them with more trained personnel so as to promote their social, economic and cultural development, Chinese Premier Li Peng said here today.

Delivering a report at the Fourth Session of the Eighth National People's Congress (NPC) on China's development plans, he said that, since China adopted the policy of reform and opening to the outside world, social and economic development in areas inhabited by ethnic minorities has accelerated.

Economic development and improvement of people's living standards will lay a firmer foundation for further consolidating ethnic unity in China.

In China, a multi-ethnic country, he said, it is necessary to maintain and develop relations of equality, unity and mutual assistance between its ethnic groups so that all of them can achieve prosperity and progress.

"It is in the fundamental interest of all the Chinese people to consolidate and develop ethnic unity," he said.

He called on officials at various levels to uphold and improve regional autonomy for ethnic minorities and fully guarantee the autonomy of the ethnic minority areas and equal rights for all ethnic groups, and to train cadres and all types of talented people of ethnic minorities.

"We should unwaveringly safeguard the unity of the motherland and ethnic unity and resolutely oppose any acts designed to split the country or damage ethnic unity," he said.

"We should fully implement the government's policies on religion, safeguard our citizens' freedom of religious

belief, strengthen management of religious affairs and help various religions adapt to a socialist society," he said.

**PRC: Li Peng Stresses Science, Education in NPC Report**

*OW0503024596 Beijing XINHUA in English  
0226 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — Chinese Premier Li Peng said today that China will give priority to the development of education in the coming 15 years.

Li made the remark at the Fourth Session of the National People's Congress (NPC) while delivering a report on the country's Ninth Five-year Plan (1996-2000) for national economic and social development and the long-term target for the year 2010.

"Economic development must rely on science and technology, and our work in science and technology must be adapted to the needs of economic development," he said.

First, China will promote the development of technologies and spread their use, promote the commercialization of scientific and technological achievements and put them to use in production, combine development of technology through the effort with introduction and assimilation of overseas advanced technology and concentrate on solving problems concerning major and key technologies affecting our economic and social development, he said.

Second, China will vigorously develop high and new technologies and the related industries, striving to approach or reach the world's most advanced level in some important areas, and transform traditional industries with new and high technology.

Third, China will strengthen basic research, scale the heights of scientific and technological development in fields on the cutting edge of science and technology and try to effect breakthroughs in areas where the country enjoys superiority, he said.

In proceeding with social undertakings, China will step up research and application of new technologies in such areas as family planning, prevention and treatment of major diseases, environmental protection, multiple use and recycling of resources and the prevention and reduction of natural calamities, Li said.

"We should deepen the reform of the management systems in science and technology and accelerate the integration of scientific research, development and production with the market," he said.

"We should facilitate association between research institutes, institutions of higher learning and enterprises," he said. "Large enterprises should be encouraged to establish technology development centers and to become the main force in the development of technology."

Further efforts should be made to protect intellectual property rights and give scope to the role of the patent system, he added.

He said that making education a priority and improving the cultural level of the entire population is a task of long-term importance. China will make nine-year compulsory education universal and eliminate in the main illiteracy among young and middle-aged people by the year 2000 throughout China, ensure the funding and teachers required for this purpose, and increase financial support to poverty-stricken areas.

At the same time, China will develop higher education as appropriate and focus on improving instruction and raising the overall efficiency and concentrate on a number of institutions of higher learning and disciplines. Vigorous efforts will be made to develop different types and levels of vocational and adult education. The state will also optimize the educational structure so that regular and vocational education develop proportionately.

The premier urged officials at various levels to accelerate educational reform and explore systems and models of running schools which meet the requirements of reform and development at the current stage.

He said the state encourages non-governmental sectors to run schools and gradually establish a new educational system which will be primarily government-run but will include schools operated by different sectors of society, and the state promotes various forms of joint operation and management of schools and rationally allocate resources for education.

All types of schools at all levels must improve ideological and political education. Efforts should be made to focus on consolidating the ranks of teachers, improving teacher competence and improving teachers' work, study and living conditions, he said.

**PRC: Li Peng Reports on Poverty Eradication at NPC**

OW0503090596 Beijing XINHUA in English  
0832 GMT 5 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — Some 20 million Chinese had been lifted out of poverty during China's Eighth Five-Year Plan period (1991-95) that ended by in December last year, Premier Li Peng said here today.

Addressing the Fourth Plenary Session of the National People's Congress, China's legislature, Li said that China's population below the poverty line was reduced from 85 million at the end of 1990 to 65 million last year.

China's poor population, at 150 million in the late 1970s, was concentrated mainly in old revolutionary bases, areas inhabited by ethnic minority groups and remote and boundary areas. Such areas are chiefly in the southwestern and northwestern parts of the country.

By the Chinese standards, the people in poverty means those who do not have enough to eat and wear, the premier said.

However, Li noted, it remains an arduous task particularly in rural areas during the new Ninth Five-Year Plan (1996-2000) to feed and cloth the poor people, especially those living in the countryside. He urged governments at all levels to make greater efforts to help more people overcome their difficulties

**PRC: NPC Spokesman on U.S. Ties, Taiwan**

OW0403133796 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0254 GMT 4 Mar 96

[By reporter Li Wei (2621 0251)]

[FBIS Translated Text] Beijing, 4 Mar (ZHONGGUO XINWEN SHE) — In response to reporters' questions this morning, Zhou Jue, press spokesman of the Fourth Session of the Eighth National People's Congress (NPC), said that there is only one China in the world, the Government of the People's Republic of China is the sole legitimate government of China, and Taiwan is an inalienable part of China. "No matter how the method of producing Taiwan's leaders changes, it will not change the fact that Taiwan is part of China's territory or the fact that the leaders of Taiwan are leaders of a region of China."

He pointed out that it is completely futile for anyone to attempt to use the change in the method of producing leaders in Taiwan to legitimize separatist activities. If any foreign anti-China force uses this as a pretext to interfere in China's internal affairs, it will inevitably meet with the resolute opposition (jian jue fan dui 1017 0414 0646 1417) of the Chinese Government and all the Chinese people.

At the first news conference of this NPC session, two reporters questioned Zhou Jue about Taiwan. The latter unhurriedly and clearly expressed his views.

Regarding the possibility of a meeting this year between top leaders of both sides of the strait if Li Denghui [Li Teng-hui] is re-elected "president," Zhou Jue replied:



We have always stood for holding meetings between leaders on both sides of the strait under the principle of "one China." Some leaders of the Taiwan authorities are creating "two Chinas," and "one China, one Taiwan." This has seriously damaged the foundation for the stability and development of cross-strait relations. Only if the Taiwan authorities come back to the "one China" principle in words as well as in actual deeds can meetings between leaders of the two sides have any meaning.

Zhou Jue said that the Chinese people have the ability as well as the determination to protect the country's territorial integrity, and we hope all descendants of the Yan and Huang Emperors will make joint efforts to realize the peaceful reunification of the motherland at an early date.

Zhou Jue also said: The Chinese and U.S. Governments have signed three joint communiques together. The United States should scrupulously abide by the principles of these three joint communiques. Some U.S. congressmen should do more things conducive to promoting the development of Sino-U.S. friendly relations instead of things to interfere in China's internal affairs.

#### PRC: NPC Spokesman on Taiwan Relations Act

OW0403165896 Beijing Central Television Program One Network in Mandarin 1440 GMT 4 Mar 96

[News conference by Zhou Jue, spokesman for the Information Center of the Fourth Session of the Eighth National People's Congress, to foreign and domestic reporters held at the Great Hall of the People on the morning of 4 March]

[FBIS Translated Excerpt] [passage omitted] [VOA reporter] I am a correspondent of the VOICE OF AMERICA. The U.S. Congress and the Chinese National People's Congress [NPC] are the highest organs representing the people. On 28 February, the U.S. Senate and House of Representatives adopted two bills, including a bill amending the provisions of the Taiwan Relations Act. Will the forthcoming NPC session discuss this issue or will it respond to the bill adopted by the U.S. Senate and House of Representatives? Will the NPC propose to the Chinese Government that it revise its policy and measures? Thank you.

[Zhou Jue] I have already announced to you the agenda of the forthcoming NPC. As to the correspondent's question concerning the United States' Taiwan Relations Act. I want to emphasize here that the U.S. Taiwan Relations Act has seriously violated [yan zhong wei fan] the principles in the three joint communiques the United States signed with China. China is firmly against this. Should any attitude be changed, the U.S. Congress

should rescind the law, which is not within the friendly relations between the two countries, and abide by the three joint communiques that it signed with China. I also want to add that we hope certain U.S. congressmen will do more to promote the development of the two countries' friendly relations and not do anything that interferes in China's internal affairs. [passage omitted]

#### PRC: NPC Spokesman Discusses Taiwan Issue, Other Matters

HK0503082596 Hong Kong TA KUNG PAO in Chinese 5 Mar 96 p A3

["Special dispatch" by staff reporter Chiang Chao-yung (5592 0340 0516): "NPC Press Spokesman Speaks on Taiwan Issue; Should Any Foreign Country Intervene in China's Internal Affairs, It Will Meet Resolute Opposition From the Chinese"]

[PTS Translated Text for FBIS] Beijing, 4 Mar (TA KUNG PAO)— Zhou Jue, press spokesman for the Fourth Session of the Eighth National People's Congress [NPC], answered questions raised by Chinese and foreign reporters this morning at the Great Hall of the People. The following is the record of some of the questions and answers:

[Reporter from Hong Kong Cable Television] The increase in criminal offenses in China is related to the economy. Have you adopted any economic or legal measures to curb these offenses?

[Zhou] On the whole, social order in China is good. Social order is rather serious in some localities, where the people are not satisfied. The prominent problems are theft of property, criminal gangs, violence, and criminal offenses outside the border that have infiltrated to the mainland. We hold that comprehensive measures should be adopted and we believe that China's social order will improve day by day!

[Reporter from Hong Kong TIN TIN JIH PAO] The assassination of Li Peiyao has exposed problems in China's conscription work as well as problems in social order. Will there be a bill proposed at the current NPC session on improving the quality of conscription?

[Zhou] The session has not yet started and it is hard to say. It should be noted here that the Chinese People's Armed Police is an army that is loyal to the motherland and the people and has made great contributions to reform, opening up, and maintaining social order. The assassination of Li Peiyao was purely an isolated incident that will not affect the reputation of the armed police. We will draw a lesson from the case

and strengthen management over the education of the armed police as well as the conscription work.

[XINHUA reporter] The current session is to examine and adopt the Amendment on Criminal Procedural Law. What is the purpose of the amendment and drafting? What influence will it exert?

[Zhou] The Criminal Procedural Law was drafted in 1979. Because of the complicated nature of the criminal offenses and the changes in law enforcement, amendments are necessary. Major amendments have been made (to the Criminal Procedural Law), such as further division of labor in the Law for Public Security, Procuratorates, and Courts, which coordinate and condition each other, and supervision over law enforcement by the procuratorial organs is strengthened. We improved the mandatory measures in the trial of criminal offenses and abolished the long-standing practice of detention and examination. In addition, we changed the means of court trial, gave full play to the role of the plaintiff and prosecutor, and improved the trial system. To protect the rights of the accused, involvement of lawyers in cases is shifted earlier, that is, before the stage of investigation. This represents great progress in the building of China's democracy and legal system.

[Reporter from Voice of America] The U.S. Senate and House revised the provisions of the "Taiwan Relations Act" on 28 February. Will the NPC also propose that the Chinese Government revise some of its practices against Taiwan?

[Zhou] The "Taiwan Relations Act" of the United States seriously violates the principles of the three Sino-U.S. Joint Communiques. If a change of attitude is necessary, the United States should abolish the laws that are disadvantageous to relations between the two countries.

[Reporter from Hong Kong SOUTH CHINA MORNING POST] If the People's Liberation Army is to launch a war against Taiwan, will the NPC be consulted?

[Zhou] Questions concerning the military should not be answered by me. Premier Li Peng will expound on China's position on Taiwan. The NPC, which is the highest organ of power, fully supports the reports made by President Jiang Zemin in 1995 and by Li Peng in 1996 on the question of Taiwan. We believe that the reports reflect the aspiration of the people of all nationalities throughout the country. The people's deputies are indignant at the two Chinas, and one China, one Taiwan advocated by some leaders of the Taiwan authorities. We hope that the Taiwan authorities will return to the stance of one China in word as well as action. A number of deputies have also said that Taiwan is an inalienable part of China's territory and

that the Chinese people have the right, ability, and determination to defend the sovereignty and territorial integrity of Taiwan. We hope that the compatriots across the strait and descendants of the Yellow Emperor all over the world will make concerted efforts to resolve the question of Taiwan and realize peaceful reunification of the motherland at an early date.

[Reporter from China Central Television Station] What are your comments on Taiwan's elections? If Li Teng-hui is reelected "president," is there a possibility for leaders of the two sides to meet?

[Zhou] There is only one China in the world, the PRC is the sole legitimate government of China, and Taiwan is an inalienable part of China. No matter how the leaders of Taiwan are elected, no one can change the fact that Taiwan is part of China and that Taiwan leaders are China's local leaders. It will be futile to use the election of Taiwan leaders as an excuse to give legal garb to splittist activities. Should anti-China foreign forces take this as an excuse to meddle in China's internal affairs, it will meet resolute opposition from the Chinese Government and the people. It is our consistent stand that leaders across the strait should meet under the principle of one China. Meetings between leaders across the strait will be meaningful only when the Taiwan authorities have returned to the stand of one China in word and deed.

[Reporter from NANFANG RIBAO] The NPC has delegated Zhuhai and Shantou the right of legislation. Does this mean that the central authorities attach greater importance to the role of the special zones? Will the policies toward Guangdong be more liberal?

[Zhou] The power of legislation has been delegated to Xiamen and Shenzhen. To further promote reform and opening up in the two special zones and to develop their economy, we have also delegated the power of legislation and drafting of regulations to Zhuhai and Shantou.

[Reporter from SHENZHEN TEQU BAO] How will the gap between the eastern and western regions be narrowed?

[Zhou] As the gap between regions is a historic fact and one based on common development, we will need a process to narrow it. The state will give more preferential policies and financial support to the central and western regions. These regions should accelerate the pace of their reform and opening up and attract foreign enterprises. We should strengthen and encourage cooperation between the eastern and western regions, and both possess great potential. As long as they speed up their reform and opening up and invigorate their



economy, they will certainly be able to expedite their economy, and some localities may even surpass the advanced regions.

**PRC: CPPCC's Ye Xuanping Makes Work Report at NPC**

*OW0403150696 Beijing XINHUA Domestic Service in Chinese 1324 GMT 3 Mar 96*

[By unattributed reporter: "Ye Xuanping Makes Report on the Work of the National CPPCC Committee Standing Committee"]

[FBIS Translated Text] Beijing, 3 Mar (XINHUA) — Ye Xuanping, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], said today that over the past year, in accordance with the work principles laid down by the Third Session of the Eighth National CPPCC Committee and with the common efforts of the participating units and all members, the Standing Committee has focused on the central task, catered to the overall situation, exerted itself, blazed new trails, conscientiously displayed CPPCC functions, and actively pursued the standardization and institutionalization of political consultations, democratic supervision, as well as the participation and discussion of state affairs, thus making progress in many aspects.

Entrusted by the Standing Committee of the Eighth National CPPCC Committee, Ye Xuanping made a work report at the Fourth Session of the Eighth National CPPCC Committee, which opened today.

Ye Xuanping reported on the work of the Standing Committee from nine aspects:

— Implementing the central circular's guidelines and pursuing the standardization and institutionalization of exercising CPPCC functions. Early last year, the National CPPCC Committee formulated Regulations on Political Consultations, Democratic Supervision, and Participation and Discussions of State Affairs. The CPC Central Committee issued a circular asking localities and departments to conscientiously implement the regulations in light of their specific conditions. The Standing Committee regarded the implementation of the guidelines of the circular of the CPC Central Committee and the CPPCC "Provisions" as the key work for 1995, and energetically promoted construction in the standardization and institutionalization in the performance of major functions. The 13th meeting of the Standing Committee especially discussed how to better perform functions in the new situation and members of the Standing Committee put forward many suggestions and proposals on work improvement. Chairman Li Ruihuan made an im-

portant speech, "Concerning Several Questions in Performing the Functions of the CPPCC," at the meeting. The Standing Committee also paid attention to implementing the guidelines of the "Circular" of the CPC Central Committee and the "Provisions" of the CPPCC in various activities and strived to enable political consultation to be carried out at a deeper level, to make democratic supervision more effective, and to make the participation and discussion of state affairs more fruitful.

— Doing an effective job of participation in the administration and discussion of state affairs by centering on the state's major policy decisions. After the Third Plenary Session of the Eighth National CPPCC Committee, the Standing Committee organized members to conduct many investigations and studies revolving around the formulation of the Ninth Five-Year Plan and the Long-Term Target for the Year 2010. The Economy Committee put forth the "Proposal for Mobilizing the Forces of Many Sectors to Participate in the Formulation of the Ninth Five-Year Plan and the Long-Term Target for the Year 2010" on the basis of investigations and study and deliberations on special topics, which was submitted to the CPC Central Committee and the State Council after being discussed by the meeting of chairman and vice chairmen. Afterwards the Economy Committee submitted the "Several Suggestions Concerning the Line of Thinking on the Ninth Five-Year Plan" to the CPC Central Committee's General Office, offering 17 suggestions on some major problems which should be resolved and handled well in formulating the Ninth Five-Year Plan. The CPC Central Committee and the State Council attached great importance to the two written proposals. After the publication of the "Proposal of the CPC Central Committee for Formulating the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2010," the 14th Standing Committee Session of the National CPPCC Committee studied and discussed the proposal and urged CPPCC organizations and members to concentrate energies on conducting the activities to suggest ways and means for the formulation of the plan and for this purpose, the various special committees conducted research and made arrangements. They universally solicited the opinions of the masses on the difficult problems facing the formulation of the plan, the hot issues in which the people were universally concerned, and the problems concerning the overall situation that had an impact on development in the days to come. The committees conducted a thorough investigation and study and earnest deliberations, and put forth many constructive suggestions. National CPPCC Committee members in various democratic parties, people's organizations, and in all sectors of society also took action, became broadly in-

volved, and actively made suggestions through tabling bills and making speeches.

— Improving inspection work and inspection quality. Members conducted inspection tours focused on economic construction — this endeavor achieved relatively good results therefrom. Chairman, vice chairmen, and some members of the National CPPCC Committee conducted inspection tours of the central and western regions of China to find out how local people carried out production and led their lives, studied a strategy for exploiting and developing the northwestern region of China, put forth many important suggestions, and did some solid work benefiting the state and the people. In the past year, the National CPPCC Committee has organized 17 inspection teams, consisting of 424 members, and dispatched them to 17 provinces, autonomous regions, and municipalities to inspect the work in the fields such as the building of spiritual civilization, public security, price, and the economic development of the areas inhabited by minority nationalities and old revolutionary base areas, and made 16 inspection reports. The Standing Committee has also worked hard to improve inspection modes and team-building measures in accordance with members's suggestions, thus achieving ever better practical results in the inspection activities. It has also conducted inspection activities on special topics at the invitation of some departments.

— Strengthening the offering of motions and information work and actively reflecting social conditions and public opinion. The CPPCC National Committee has received a total of 2,377 motions and placed 2,177 on file since the Third Session of the Eighth CPPCC National Committee. These motions were wide-ranging in content and touched every aspect of the state and of social life. Suggestions were made and countermeasures raised in most of the motions, which promptly reflected social conditions and public opinion and gave important references to leading organs in making policy decisions. The Standing Committee, which treats the work of grasping and reflecting social conditions and public opinion as an important routine, and carries it out conscientiously, has played a positive role in helping the CPC and the People's Government to grasp social conditions and public opinion and to forge closer ties with the masses.

— Attaching importance to surveys of special subjects and doing a good job in the work of special committees. By taking the Standing Committee's key topics under discussion as the focus, all of the special committees have conducted in-depth surveys, made suggestions, and given weighty addresses at Standing Committee meetings and presented high-quality survey reports to the committee. Meanwhile, acting in line with their own characteristics, the special committees have organized

41 special surveys of selected major issues seriously taken by the party and the state and causing concern among the masses and presented 30 reports of the surveys, giving play to their important foundation role in the CPPCC work.

In his report, Ye Xuanping also touched on the work done by the CPPCC National Committee over the past year in such areas as sponsoring important commemorative activities to carry forward the national spirit of solidarity and patriotism, widening the channels of association with others to facilitate the reunification of the motherland, putting into practice the state's diplomatic principles to vigorously broaden external contacts, and strengthening the building of organs to improve work efficiency.

Ye Xuanping said: Over the past year, the Standing Committee devoted serious efforts to organizing the implementation of the tasks set by the Third Congress of the Eighth CPPCC National Committee and achieved considerable results in all types of work. Nevertheless, we must note that there are still a number of shortcomings and deficiencies in our work. Certain vigorous explorations have been made with regard to fulfilling the key functions of political consultation, democratic supervision, and participation in the administration and discussion of state affairs, but not much progress has been made in many ways and we have not lived up to the demands set by the central "Circular". In particular, as far as democratic supervision is concerned, what we have done is still far apart from what is prescribed by the central "Circular" and the CPPCC constitution. Much remains to be done on improving the practical effect of the work of organizing members' inspections and handling their motions, and on improving communication with members from areas other than Beijing and to bring their role into full play.

Speaking on the work in 1996, Ye Xuanping said: To realize the Ninth Five-Year Plan and the Outline of the Long-Term Target for the Year 2010, which is a shared mission of the people of all ethnic groups in the country as well as an arduous and complicated historical task, efforts must be made to mobilize all forces, to pool the wisdom and efforts of everyone, and to struggle hard. He stressed that the major tasks of the Standing Committee this year: By focusing on the implementation of the Ninth Five-Year Plan and the Outline of the Long-Term Target for the Year 2010, we must take appropriate steps to display our advantages, to perform the CPPCC's major functions in real earnest, and to continue standardizing and institutionalizing the work of political consultation, democratic supervision, and participation in the administration and discussion of



state affairs and giving full play to the CPPCC's role in state politics.

Ye Xuanping proposed eight areas of work for 1996:

— Thoroughly studying the theory of building socialism with Chinese characteristics. We should combine the study of basic theory with the study of expositions regarding the united front and people's political consultation put forward by older-generation leaders and by the CPC Central Committee with Comrade Jiang Zemin as the core, the study of the guidelines of the Fifth Plenary Session of the 14th CPC Central Committee, and the study of major state principles and policies. We should unify our thinking; improve common understanding; pay attention to politics and healthy trends; strengthen our resolve to implement the party's basic line and principles; heighten our awareness of implementing the system of multiparty cooperation and political consultation under the CPC's leadership; deepen our sense of responsibility and mission about doing well in people's consultation work; and improve our standards of administering and discussing state affairs.

— Participating in the administration and discussion of state affairs with a view to drawing up and implementing the "outline." After the session, special committee members should, with a view to implementing the "outline" and the tasks during the first year of the "Ninth Five-Year Plan" period, select some major issues or issues of general interest regarding national economic and social development, and conduct in-depth investigations and study and make comments and suggestions. These issues include changing the economic system and the economic growth mode; implementing the strategy of developing the country through science and education; promoting rural economic development; invigorating state-owned enterprises; promoting spiritual civilization, democracy, and the construction of the legal system; slowing the trend toward a widening gap between eastern and western regions; controlling inflation; establishing a social security system; improving all facets of public order; protecting resources and the environment; and controlling population growth. The Standing Committee will select some of these issues for discussion and submit proposals or reports to the CPC Central Committee, the State Council, or relevant departments. We should continue to serve as a bridge between eastern and western regions and between relevant central departments and their local counterparts; help old liberated areas, ethnic minority regions, border areas, and poverty-stricken areas develop their economies; promote the development of west-central regions; and provide assistance for practical programs that can bring benefits to the country and people.

— Continuing to promote various tasks related to the performance of our duties. In accordance with the requirements for standardizing and institutionalizing the performance of our duties, we should deepen political consultation in a well-organized and planned manner, carry out more lively activities in political consultation, and truly incorporate political consultation in national and local decision-making procedures. We should improve the method of democratic supervision in a step-by-step manner; make it more compatible with other forms of supervision to facilitate the exercise of effective democratic supervision; and expand the scope of administering and discussing state affairs through extensive participation, consultation, and in-depth investigations and study.

— Giving greater scope to the roles in political consultation of democratic parties, democratic figures with no party affiliation, mass organizations, and people of various ethnic groups and from all walks of life.

— Conscientiously carrying out work that reflects social conditions and popular wishes, as well as work pertaining to historical materials.

— Further carrying out friendship activities that aim to promote the motherland's reunification.

— Actively fostering friendly contacts with other countries.

— Strengthening political consultation.

## CPPCC

### PRC: Li Ruihuan Presides Over Closing of CPPCC Meeting

OW0403082296 Beijing XINHUA Domestic Service in Chinese 1433 GMT 1 Mar 96

[By reporter Zhu Dongju (2612 0392 5468)]

[FFIS Translated Text] Beijing, 1 Mar (XINHUA) — The 15th Meeting of the Standing Committee of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] closed today after having satisfactorily concluded all the items on its agenda.

Li Ruihuan, standing committee member of the CPC Central Committee Political Bureau and chairman of the CPPCC National Committee, presided over today's closing ceremony.

At the meeting, Secretary General Zhu Xun [of the CPPCC National Committee] gave a briefing on the discussions and revisions of relevant documents.

The meeting adopted the work report of the Standing Committee of the Eighth CPPCC National Committee; voted for Vice Chairman Ye Xuanping to deliver the work report on behalf of the Standing Committee at the Fourth Session of the Eighth CPPCC National Committee; adopted the proposed namelists of additional vice chairmen and standing committee members of the Eighth CPPCC National Committee; adopted a work report delivered by the Motions Committee of the Eighth CPPCC National Committee on the motions put forward since the Third Session of the CPPCC National Committee; and adopted a resolution on preparing to commemorate the 130th birth anniversary of Mr. Sun Yat-sen, as well as a resolution changing the name of the Women, Youth, and Legal Affairs Committee to the Society and Legal Affairs Committee.

The meeting decided to appoint Zhang Daocheng [1728 6670 6134] deputy secretary general of the Eighth CPPCC National Committee and Fu Gengchen vice chairman of its Science, Education, Culture, Public Health, and Sports Committee.

CPPCC National Committee Vice Chairmen Ye Xuanping, Wu Xueqian, Yang Rudai, Wang Zhaoguo, Deng Zhaoxiang, Qian Weichang, Hu Sheng, Qian Zhengying, Sun Fuling, Ma Man-kei, Zhu Guangya, and Wan Guoquan attended today's meeting.

#### PRC: CPPCC Spokesman Previews Session for News Media

OW0503081196 Beijing XINHUA Domestic Service  
in Chinese 1257 GMT 2 Mar 96

[By reporters Zhu Dongju (2612 0392 5468), Wang Jinfu (3076 6855 4395), and Hu Xiaomeng (5170 2556 1125)]

[FBIS Translated Text] Beijing, 2 Mar (XINHUA) — Liang Jinquan, news spokesman of the Fourth Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC], announced the 11-day Fourth Session of the Eighth CPPCC National Committee is scheduled to open at the Great Hall of the People on 3 March.

At a news conference on the Fourth Session of the Eighth CPPCC National Committee held at the Great Hall of the People this afternoon [2 March], Liang Jinquan briefed Chinese and foreign reporters on items top on the agenda of the Fourth Session of the Eighth CPPCC National Committee and the major work done by the CPPCC National Committee in the past year.

He said: In the past year, the CPPCC National Committee upheld the system of multiparty cooperation and political consultation under the leadership of the CPC;

conscientiously implemented the guidelines of the instructions given by the CPC Central Committee on improving the CPPCC work; subordinated itself to and served the overall interests of the party and the state on its own initiative; practically promoted the standardization and systematization of fulfilling its major functions; gave full play to the role of all democratic parties, mass organizations, nonparty democratic personages, and representatives of all nationalities in all walks of life in political consultation; closely revolved their discussions of government and political affairs around major policies of the state; understood and reflected both social conditions and the will of the people in a timely manner; vigorously conducted activities aimed at promoting the reunification of the motherland; actively expanded foreign contacts; and made new progress in conducting various work.

Liang Jinquan expressed the belief that the Fourth Session of the Eighth CPPCC National Committee will surely be a meeting marked by democracy, realism, unity, and motivational atmosphere, and will practically promote the socialist modernization as well as the building of democratic politics in China.

Liang Jinquan also answered questions raised by Chinese and foreign reporters.

At a tea party hosted by the CPPCC National Committee on 1996 New Year's Day, General Secretary Jiang Zemin gave a fully positive assessment of the contributions made by the CPPCC National Committee to formulating the "Ninth Five-Year" Plan and the Long-Term Target for the Year 2010. A reporter asked Liang Jinquan to give a briefing on the contributions. Liang Jinquan said: Organizing members to make suggestions on the formulation of the "Ninth Five-Year" Plan and the Long-Term Target for the Year 2010 constituted the central task of the CPPCC National Committee last year. All parties, organizations, and members of CPPCC committees in all fields of endeavor broadly participated in the task. To date, we have received more than 60 proposals on the formulation. The Economy Committee of the CPPCC National Committee organized members and scholars to conduct researches and argumentations of a special topic. They submitted two written proposals on certain major issues and relationships that ought to be properly handled and resolved in the process of formulating the "Ninth Five-Year" Plan and the Long-Term Target for the Year 2010. The CPC Central Committee and the State Council attached a high degree of importance to these two proposals, which were incorporated into the "Proposal of the CPC Central Committee for Formulating the 'Ninth Five-Year' Plan for National Economic and Social Development and the Long-Term Target for the Year 2010."



A reporter asked: The CPC Central Committee stressed it is necessary to give more prominence to the building of socialist spiritual civilization. What role has the CPPCC National Committee played in this respect? Liang Jinqun said: Last year, both the Society and Legal Affairs Committee and the Science, Education, Culture, Public Health, and Sports Committee under the CPPCC National Committee organized relevant experts and scholars to conduct a special-topic survey of the building of spiritual civilization and social development. They made some suggestions. After these suggestions were discussed by a chairmanship meeting of the CPPCC National Committee, they were submitted to the CPC Central Committee and the State Council. Liang Jinqun expressed the belief that these suggestions will play a positive role in perfecting the outline for the "Ninth Five-Year" Plan and the long-term target and in building spiritual civilization.

A reporter asked: What new progress did the CPPCC National Committee make in further expediting the standardization and systematization of political consultation, democratic supervision, and discussion of government and political affairs in 1995? Liang Jinqun answered: The promulgation of the "Regulations of the CPPCC National Committee on Political Consultation, Democratic Supervision, and Discussion of Government and Political Affairs" represented an important measure for standardizing and systematizing the fulfillment of CPPCC functions. The CPC Central Committee attached great importance to the regulations, and specially issued a circular requiring all areas and departments to conscientiously implement them in the light of their actual conditions. Chairman Li Ruihuan delivered an important speech on "Certain Issues Concerning the CPPCC Committees' Fulfillment of Their Functions." After the "Regulations on the CPPCC National Committee's Work of Motions" were adopted in 1994, a "General Rule on the Special Committees of the CPPCC National Committee" was revised and adopted last year. Meanwhile, local CPPCC committees drew up appropriate regulations or measures for implementing the guidelines of the CPC Central Committee and the "Regulations" of the CPPCC National Committee in the light of their actual conditions, and established a series of specific systems and supportive measures which are workable.

In reply to a reporter's question on how the CPPCC National Committee brings into play the role of democratic parties and mass organizations in political consultation, Liang Jinqun said: Strengthening ties with all democratic parties and mass organizations and better giving play to their role in political consultation is an important task of the CPPCC National Committee. The task has acquired the following characteristics since

the Third Session of the Eighth CPPCC National Committee: First, leading comrades of the CPPCC National Committee invited persons in charge of democratic parties, the All-China Federation of Industry and Commerce, and relevant mass organizations to high-level, small-scope [xiao fan wei 1420 5400 0953] forums at irregular intervals to listen to their opinions and improve the CPPCC work. Second, the role of democratic parties and mass organizations in discussing government and political affairs was brought into play through the form of motions. Third, joint surveys and researches were conducted to turn to account the advantage enjoyed by an integrated entirety. Relevant special committees conducted joint surveys and researches with democratic parties and mass organizations about certain major issues, and offered many constructive opinions to party and government departments on their own initiative. And, fourth, arrangements were made for leaders of democratic parties and the All-China Federation of Industry and Commerce to participate in activities of the CPPCC committees' foreign contacts in a planned way.

Liang Jinqun also answered Chinese and foreign reporters' questions on the reunification between the two sides of the Taiwan Strait and on maintaining Hong Kong's prosperity and stability.

#### PRC: CPPCC Offers Proposals on Spiritual Civilization

OW0403100596 Beijing XINHUA Domestic Service  
in Chinese 0926 GMT 1 Mar 96

[By XINHUA reporter Zhu Dongju (2612 0392 5468): "Two Sets of Proposals That Conform to People's Wishes — Report From the National Committee of the Chinese People's Political Consultative Conference"]

[FBIS Translated Text] Beijing, 1 Mar (XINHUA) — Entrusted with the major task of finding ways to further promote socialist spiritual civilization while expanding socialist material civilization, Qian Weichang and Qian Zhengying, vice chairmen of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], respectively led members of the National CPPCC Committee's Science, Education, Culture, Public Health, and Sports Committee and Social and Legal Affairs Committee in conducting investigations and study at the grass-roots level in late autumn 1995 to find out about social conditions and popular wishes.

In the meantime, a dozen or so special investigation teams organized by relevant committees to study legal, trade union, women's, youth, educational, and health issues went to rural areas, industrial and mining enterprises, medical and health centers, schools, and other facilities to conduct investigations and study and had

extensive informal discussions with workers, peasants, teachers, and students to hear the views of the masses.

Two sets of proposals on further strengthening socialist spiritual civilization were recently submitted to the CPC Central Committee.

— In light of the resurgence of "pornography, gambling, and drug abuse" in society, the proposals state: During the Ninth Five-Year Plan period, we should pool resources from all sectors and take major measures to eradicate "pornography, gambling, and drug abuse."

— In light of the current "lax efforts" by some localities and departments to promote spiritual civilization, the proposals state: We should further strengthen the government's unified leadership and management over all fields of work in promoting spiritual civilization, and expedite the legislative process. We should make spiritual civilization one of the main tasks in social development. We should further purify the social atmosphere and improve public morals and vocational ethics in the whole nation.

— In light of the slow progress in building major cultural facilities and the fact that the number of grassroots cultural facilities has declined with each passing year, the proposals state: We should increase input in spiritual civilization and provide support for relevant undertakings in terms of policy.

These proposals are compelling since they correctly address current malpractices and reflect the people's wishes. The party Central Committee and the State Council take them seriously.

Shortly after the Fifth Plenary Session of the 14th CPC Central Committee concluded in October 1995, National CPPCC Committee Chairman Li Ruihuan asked the National CPPCC Committee to earnestly study ways to further promote spiritual civilization and to integrate spiritual civilization with and adapt it to economic construction. At his request, the National CPPCC Committee immediately began working out suggestions and advice on promoting spiritual civilization in the country. It organized its members to earnestly study and gain an understanding of the party central committee's documents on spiritual civilization, as well as the speeches of leading central comrades on strengthening socialist spiritual civilization. It held discussions on strengthening spiritual civilization during the new period, and sent its members to the grass roots to conduct investigations and study.

During the process of extensive investigations and study, CPPCC members came to realize that, thanks to the attention of the party and government, some progress had been made in spiritual civilization and a large

number of advanced models in spiritual civilization had come to the fore in various parts of the country since the introduction of the program of reform and opening up. However, there is no reason to be optimistic about the current state of spiritual civilization. The problem of "stressing one to the neglect of the other" in economic construction and spiritual civilization has yet to be solved properly. Some localities and departments have neglected spiritual civilization to pursue short-term, rapid economic development. There are still many weak links in spiritual civilization, and problems in some respects are very serious. Some ugly phenomena and unhealthy trends in society and corruption among some cadres have persisted despite repeated attempts to eliminate them. They are even spreading. People are deeply worried about them.

CPPCC members maintained: Even if we manage to develop the economy, it will be difficult to maintain economic development over the long term if we do not devote major efforts to promoting social progress and achieving results compatible with economic construction in ideological, moral, scientific, cultural, democratic, and legal construction.

CPPCC members made plenty of insightful and feasible comments and suggestions on changing this state of affairs. The special investigation teams also submitted reports, in which they addressed specific circumstances, offered analyses, and made suggestions. On many occasions the relevant special committees invited experts and scholars involved in spiritual civilization, as well as comrades who worked on the front lines of spiritual civilization, to informal discussions to hear their comments and suggestions. On the basis of these comments and suggestions, the Social and Legal Affairs Committee and the Science, Education, Culture, Public Health, and Sports Committee held several plenary membership meetings and chairmanship meetings to study specific measures for strengthening socialist spiritual civilization.

Keeping in mind the current state of spiritual civilization in our country, and in accordance with the requirements of the Ninth Five-Year Plan and the long-term targets to 2010, the relevant committees under the National CPPCC Committee, after repeated discussions and amendments, and after deliberation by the 34th chairmanship meeting of the Eighth National CPPCC Committee, submitted early this year to the CPC Central Committee "Several Proposals on Further Strengthening Spiritual Civilization in Drawing up the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Targets to 2010" and "Some Proposals on Strengthening Socialist Spiritual Civilization." These proposals urged CPPCC organizations at all levels and



all people to respond enthusiastically to the party central committee's call and do a thorough job of promoting spiritual civilization.

The fact that the National CPPCC Committee submitted these two sets of proposals on spiritual civilization reflects the CPPCC's concern for the futures and destinies of the country and people, and the joint efforts and combined strengths of CPPCC members. The proposals will play their due roles in our country's socialist spiritual civilization.

**PRC: Jiang Zemin at CPPCC Stresses Multiparty Cooperation**

OW0403153596 Beijing XINHUA in English  
1517 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — Multi-party cooperation and political consultation under the leadership of the Communist Party of China (CPC) is of great significance for building socialism with Chinese Characteristics, Chinese President Jiang Zemin said today.

Jiang, also general secretary of the CPC Central Committee, made the remark when he joined group discussions held by the Revolutionary Committee of the Chinese Kuomintang and the Jiusan Society, whose members are attending the Fourth Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

"Persisting in and improving the system of multi-party cooperation and political consultation under the leadership of the Communist Party is an important political condition for building socialism with Chinese characteristics," Jiang said.

Jiang said that, over the past year, the CPPCC National Committee and local committees have been actively participating in the management of state affairs and raised valuable suggestions on the country's reform, opening up, economic growth, overall social progress, and reunification of the motherland.

The Communist Party has, in its turn, been supporting the work of the CPPCC, Jiang said, expressing the hope that CPPCC committees at various levels would contribute more to the country's socialist modernization cause.

Jiang said the Communist Party's proposal for formulating the Ninth Five-year Plan (1996-2000) and long-term targets for the year 2010 has great significance for China's socialist modernization drive. He expressed the hope that CPPCC members would speak their minds freely to make the development program better.

Jiang said, "United front work was an important treasure for achieving revolutionary successes in the past, which resulted in the founding of New China. This treasure should be used even better today when our country is pushing for modernization and working for the reunification of the motherland."

Li Ruihuan, chairman of the CPPCC National Committee, was with the president when the latter attended the discussions.

**PRC: CPPCC Panels Discuss Standing Committee Work Report**

OW0503012496 Beijing XINHUA in English  
1618 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — Members of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) agreed that various committees of the CPPCC scored marked achievements in their work last year.

More than 1,800 CPPCC members attending the Fourth Session of the CPPCC National Committee, which opened Sunday [3 March], discussed a report on the work of the Standing Committee of the CPPCC National Committee today in 49 panels.

Chen Huiguang, secretary of the Communist Party committee of the Guangxi Zhuang Autonomous Region, said that the CPPCC is playing a bigger role and exerting an greater influence in the public.

Li Ziqi, former secretary of the Communist Party provincial committee of Gansu, said that the CPPCC has been doing a better job. "I believe our organization can play an important role in carrying out the country's medium- and long-term development programs," he said.

Song Kexiang, a CPPCC member from Hunan Province, said that the CPPCC has made three breakthroughs last year: its work became more standard and systematic, more participation in the country's policy-making process, and increased contacts with the outside world.

Huang Qitao, deputy general manager of the China Nuclear Industry Corporation, and Zhou Darong, a professor at the Chinese Academy of Agricultural Science, shared the view that visits by CPPCC leaders, including chairman Li Ruihuan, to foreign countries promoted understanding of the outside world on Chinese-style democracy.

Members from Hong Kong and Macao also spoke highly of CPPCC's work last year. Leopold Tang Hsiang-chien, a Hong Kong entrepreneur, said the advisory body made a great contribution to the drafting

of the country's Ninth Five-year Plan and long-term goals for the year 2010.

Meanwhile, participants at the panel discussions also aired views on how to improve CPPCC work.

Yang Di, former deputy secretary of Shanghai municipal party committee, said the advisory body should better perform its duty of supervision and offer more proposals on tackling issues of public concern.

Others urged the National Committee to help them to gain more authority in the supervision of economic and social situations, and increase contacts with all social circles so as to better reflect public opinion.

**PRC: CMC Vice Chairman Meets With CPPCC Members**

*OW0403161696 Beijing XINHUA in English*  
*1339 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — The Chinese People's Political Consultative Conference (CPPCC), the country's top advisory body, has played a big part in making drinking water accessible to people in the northwest, a leading army general said here today.

During a visit to members of the CPPCC's group of the Communist Party of China (CPC) this afternoon, Liu Huaqing, vice-chairman of the Central Military Commission [CMC], said that the work done by the CPPCC was "down-to-earth" and effective last year.

Liu, also a member of the Standing Committee of Political Bureau of the CPC Central Committee, particularly praised the special research reports by the CPPCC that had been adopted by the CPC Central Committee.

Jin Jian, a member of the Standing Committee of the CPPCC National Committee and vice-chairman of the Subcommittee of Nationalities and Religion, said that efforts still need to be made to improve the quality of research work by the CPPCC.

Nie Ronggui, member of Standing Committee of the CPPCC National Committee and chairman of Sichuan Provincial Committee of the CPPCC, said that more should be done to enhance democratic supervision.

Liu Zheng, a member of Standing Committee of the CPPCC National Committee and chairman of Hunan Provincial Committee of the CPPCC, called for efforts to harness the Dongting Lake.

Some other CPPCC members aired their views on a variety of issues.

**PRC: CPPCC Members on Transfer of Power in Hong Kong, Macao**

*OW0403155096 Beijing XINHUA in English*  
*1533 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — Members of China's top advisory body from Hong Kong and Macao said they will do their best for a smooth transfer of power in the two territories.

The members expressed the intention at a group discussion, part of the ongoing fourth session of the Eighth National Committee of the Chinese People's Political Consultative Conference.

A member from Hong Kong said contacts among members from the territory should increase so that there will be more coordination when they work for a smooth transfer of power in Hong Kong.

Another member said CPPCC members from Hong Kong should actively support the work of the Preparatory Committee for the Hong Kong Special Administrative Region (SAR) and pass the views of Hong Kong residents to the committee for decision-making by relevant Chinese government departments.

Herbert Liang Hiu-ying, also from Hong Kong, said, "It is the prime task of CPPCC members from Hong Kong to work for a smooth transfer of power in Hong Kong in the days before July of 1997. The members should explain policies of the central government to local residents and tell them developments on the mainland."

Hong Kong CPPCC members should continue to publicize the Basic Law for the Hong Kong SAR, he said.

The president of Macao University said a stable economy in Macao is imperative for a smooth transfer of power in Macao in 1999.

**PRC: Hu Jintao Calls For United Efforts for National Goals**

*OW0403154096 Beijing XINHUA in English*  
*1513 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — A senior Communist Party of China (CPC) official called for united efforts of people from all walks of life to fulfil the national social and economic development plans for the next five years and transcending the centuries.

Hu Jintao, a Standing Committee member of the Political Bureau of the CPC Central Committee, made the remark in the on-going annual plenary session of the National Committee of the Chinese People's Political



Consultative Conference (CPPCC), China's top advisory body.

He was speaking to CPPCC groups of personages without any party affiliation and members of the All-China Federation of Industry and Commerce.

After listening to suggestions and views from the CPPCC National Committee members on matters ranging from development of agriculture and non-state owned economic sectors to anti-corruption, Hu cited the personages with no party affiliations and the All-China Confederation of Industry and Commerce as an indispensable force in the country's modernization drive.

The tremendous achievements made during the Eighth Five-Year Plan period (1991-95) have been partly attributed to their diligence and wisdom, he said.

Moreover, the implementation of the national social and economic development plans for the next five years and 15 years also involves not only work from all fields but the interests of all sectors, Hu said, adding that various major relationships and contradictions among the people must be properly handled, as the mode of economic growth is undergoing major changes.

The interests of different groups, including their economic benefits and political positions, must be adjusted, so as to bring their initiatives to full play. Hu said.

China will continue to take public ownership as the mainstay, and at the same time to effect a simultaneous development of all economic sectors, including the individual enterprises, private and overseas funded ventures, he said.

With different economic sectors complementing each other, the national five-year goal and the long-term blueprint will be materialized, Hu said.

#### **PRC: Vice Premier Jiang Chunyun Meets With CPPCC Delegates**

*OW0403153996 Beijing XINHUA in English  
1422 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — A leading Chinese official today had an earful of suggestions on developing agriculture from members of China's top advisory body and briefed them on farming conditions in the country.

Jiang Chunyun, who is a member of the Political Bureau of the Central Committee of the Chinese Communist Party and vice premier in charge of agriculture, took part in a panel discussion of the Fourth Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

The discussion was attended by CPPCC members from agricultural and forestry sectors.

Jiang listened to the discussion attentively and expressed his appreciation for all suggestions and proposals put forward by the members. "They tally well with conditions of our agriculture and are very constructive," he said.

The Communist Party's proposal for formulating China's economic development plan, he said, has set forth goals to be achieved in farming in the next five and 15 years.

To achieve the goals, Jiang said, China faces difficulties as well as favorable conditions.

Existing problems include reduction of arable lands, frail basic facilities, low capacity to fight natural disasters, shortage of funds, low production capacity and scientific standards, and heavy burdens for farmers, he told the members.

Nonetheless, the vice premier said, the problems have caught the attention of the Party Central Committee and the State Council, and the central authorities are taking measures to have them solved.

He expressed the wish that CPPCC National Committee members would support agriculture as always and contribute more suggestions and proposals in this regard.

#### **PRC: Vice Premier Zhu Rongji Joins in CPPCC Panel Discussion**

*OW0403153296 Beijing XINHUA in English  
1328 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — Vice-Premier Zhu Rongji called on members from the economic circles, who are attending the current Fourth Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), and joined them in their panel discussion this afternoon.

Zhu is also a Standing Committee member of the Political Bureau of the Communist Party of China (CPC) Central Committee.

More than 10 CPPCC members, entrepreneurs from businesses, research institutions and colleges and universities held discussions ranging from the reform of state-owned enterprises, industrial policies for automobiles and steel manufacturing, to problems existing in the financial and foreign trade fields.

Zhu Rongji listened attentively to analyses and views of these members on China's current economic conditions, and expressed his appreciations of their candid re-

marks and valuable suggestions. The vice-premier also answered some questions raised by the members.

Wu Xueqian and Yang Rudai, both vice-chairmen of the CPPCC National Committee, also took part joined in the discussion.

**PRC: Economist Says Rapid Economic Growth Benefits All**

*OW0503010096 Beijing XINHUA in English  
1546 GMT 4 Mar 96*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA) — The rapid development of the Chinese economy is beneficial to other countries in the Asia-Pacific region, an economist from Hong Kong said here today.

A long-term development blueprint China is to implement will make it the locomotive of economic growth in the region in the next century, Mun Kin-chok, a professor at Chinese University of Hong Kong told XINHUA.

"The uplift of the Chinese economy will provide great impetus to the economic development of other countries in the Asia-Pacific region," said Mun, who is here attending the Fourth Session of the National Committee of the Chinese People's Political Consultative Conference, China's top advisory body.

As economic growth slows down in Europe and the United States, China has maintained a double-digit growth rate, the economist said.

"Though finetuned to eight percent for the Ninth Five-Year Plan (1996-2000), China's economic growth rate is still aspiring," Mun said.

By that rate, China's national gross product will reach 12 trillion yuan (about 1.4 trillion US dollars) by the year 2010 and its population of well over one billion is also a huge consumer market, which the Republic of Korea, Taiwan, Hong Kong, Indonesia and Malaysia has desired, according to Mun.

"Therefore China will provide many opportunities for economic development in Asia-Pacific countries," he said.

He explained that rapid economic growth on the Chinese mainland over the past ten or more years has accounted for more than 60 percent of the economic prosperity in Hong Kong.

While acknowledging there does exist competition between China and other developing countries in Asia in future development, Mun said that such competition will be overshadowed by the supplementary economic features.

In the final analysis, the economist noted, the expected economic takeoff of China will be a "win-win" for all.

**Political & Social**

**PRC: Media Establish Hotlines for NPC Session**

*OW0203161896 Beijing XINHUA in English  
1505 GMT 2 Mar 96*

[FBIS Transcribed Text] Beijing, March 2 (XINHUA) — Major Chinese media have announced their hotline numbers for taking questions and suggestions from the general public on the annual sessions of the National People's Congress (NPC), China's top legislature, and the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

The People's Daily, China's leading newspaper, started its hotline for the NPC and CPPCC sessions on February 29. The paper has since received through the line numerous calls from its readers, who express their expectations that the deputies and members will devote themselves to discussing topics of common concern and advancing concrete measures to solve urgent social and economic issues.

XINHUA NEWS AGENCY announced yesterday that it will start a "mailbox" to help inform people how the two conferences are proceeding and how the deputies and members are examining and discussing state affairs in their respective sessions.

The Economic Daily, another key national newspaper, started its hotline on February 28. Staffers from the paper make notes of all incoming calls and then either publish them or hand them to relevant departments. Its reporters will conduct investigations on some issues raised by readers on the hotline.

China Youth News is ready to operate a special "investigation hotline", meaning its reporters will do investigative reporting on issues fed to the paper through the hotline.

Besides the print media, China Central Television (CCTV) and the Central People's Broadcasting Station will start special programs that will reflect public opinion during the sessions of the conferences.

**PRC: Beijing Makes Safety Arrangements for NPC, CPPCC**

*HK0403060596 Hong Kong SING TAO JIH PAO  
in Chinese 2 Mar 96 p A4*

[By reporter Kuang Tung-chou (6782 0681 5297):  
"Beijing Mayor Li Qiyuan Stresses All-Out Efforts To



**Prevent Disorder To Ensure Safety of 'Two Sessions' in Beijing"]**

[PTS Translated Excerpt for FBIS] On the eve of the opening of the National People's Congress and Chinese People's Political Consultative Conference meetings, Beijing Mayor Li Qiyang held a meeting to mobilize all trades and professions in the city to ensure the smooth convocation of the "two sessions." Not only should the security of the "two sessions" be given top priority but it is also necessary to ensure water, electricity, gas, and heat supplies as well as safe, unimpeded traffic and resolutely safeguard political and social stability in the capital. [passage omitted on recent homicide and robbery cases in Beijing]

On Thursday [29 February], Beijing Mayor Li Qiyang presided over the 79th executive meeting of the municipal government, which was attended by Executive Vice Mayor Zhang Baifa, Public Security Bureau Chief Zhang Liangji, and others. The meeting focused on studying security work for the "two sessions."

In his speech, Li Qiyang is said to have called on officials at all levels to "foster strong political awareness and an overall point of view and try by every possible means to carry out thoroughly, meticulously, and solidly all fields of service and security work for the 'two sessions.'" He stressed that officials at all levels "must subordinate themselves to the overall situation and ensure full implementation of government decrees. It is absolutely impermissible for each to go his own way and there should be no ambiguity on this count."

Li explicitly pointed out that it is necessary to go all out to ensure water, electricity, gas, and heat supplies as well as safe, free traffic, keep prices under strict control, and intensify comprehensive management of urban environment.

Municipal Public Security Bureau Chief Zhang Liangji later explained Li's remark "intensify comprehensive management of urban environment," saying that the public security departments will "take the initiative to launch attacks, continuously crack down on serious crimes, step up general security inspection of internal units, especially key units, and reorganize public security black spots and traffic order."

It is learned that, to prevent fatal accidents from happening, Beijing Municipality has called on all units to institute a system of responsibility under which leading cadres are on duty around the clock. If something should happen in one department, the responsibility of the principal leaders of that department will be investigated and affixed.

Moreover, as of this month, Beijing Municipality has kept under strict control the number of vehicles entering the city from other provinces and cities; people who have previous criminal records, as well as the Xinjiang village and other places, will be placed under strict control, and some people who may pose a threat to social security may be detained [shou rong 2392 1369] temporarily to keep destabilizing factors to a minimum.

**PRC: 'News War' for Coverage of NPC, CPPCC Sessions**

OW0203151096 Beijing XINHUA in English  
1450 GMT 2 Mar 96

[FBIS Transcribed Text] Beijing, March 2 (XINHUA) — Prior to the Fourth Sessions of the Eighth National People Congress (NPC) and of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), a "news war" is under way in Beijing.

Carefully picked reporters from various domestic and overseas media have flocked to the capital to cover the annual events of the NPC and the CPPCC, which are due to open on March 3 and March 5 respectively.

The sessions will discuss the country's Ninth Five-Year Plan (1996-2000) for national economic and social development and the long-term target for the year 2010. Such medium- and long-term development programs will illustrate how China marches into the next century.

Sources with the sessions' press center noted that till this afternoon more than 1,600 domestic and overseas reporters had checked in to cover the two sessions, including more than 250 from other countries, and some 160 from Taiwan, Hong Kong and Macao.

Foreign reporters tend to be more enthusiastic in covering the two annual sessions than in any previous years, sources said. Deadline for application to cover the sessions is set on March 10, and it is estimated that more foreign reporters will come in the next few days.

Newspapers based in Beijing, too, are enthusiastic in the coverage. Economic Daily unprecedentedly devoted four additional pages to the news about the sessions each day.

The XINHUA NEWS AGENCY, the country's leading wire service, has dispatched a group of some 100 reporters, far more reporters than those sent by any other press organizations. And its stories will be transmitted in Chinese and six foreign languages.

Newspapers have published intriguing stories to attract readership. In a front-page story, the Worker's Daily on February 29 gave readers a questionnaire in 10 Chinese

cities to show how Chinese workers view the past, present and future at the juncture of the country's eighth and ninth five-year plans.

Moreover, the China Youth Daily announced that the paper would open special hotlines related to the sessions from March 1.

**PRC: Wei Jingsheng's Family Appeals to NPC on Verdict**

OW0403125196 Hong Kong AFP in English  
1144 GMT 4 Mar 96

[By Gilles Campion]

[FBIS Transcribed Text] Beijing, March 4 (AFP) — The family of China's best-known dissident, Wei Jingsheng, on Monday said it had appealed to the upcoming annual session of parliament for his 14-year jail term to be scrapped because of a flawed trial.

Wei's brother, Wei Xiaotao, said a 12-page file on the case had been submitted to the People's Supreme Court in Beijing on February 8 and a copy was handed to the complaints office of parliament, the National People's Congress, on February 28. The NPC is to open its plenary session Tuesday.

The file was compiled by Wei's relatives with the help of Zhang Sizhi, the lawyer who defended him at his original trial in mid-December.

"We have asked that the verdict be overturned and a new trial set," Wei Xiaotao said by telephone, adding they had asked the Supreme Court late last month if it had studied the case "but we received absolutely no reply."

Among the complaints is that verbal statements allegedly made by Wei while being questioned by the police on which the charges were based were not presented in court, he said.

Wei Xiaotao was asked about a story in the German magazine *Der Spiegel* that Wei Jingsheng had made a "secret agreement" with President Jiang Zemin.

Under this, Wei would be allowed to continue his activities without harassment if he spoke in favour of the United States' renewal of China's most-favoured-nation status, *Der Spiegel* said.

Talks on these lines had taken place, Wei Xiaotao said.

Wei, in March 1994, met a police official who was speaking "with the authority of the head of state," he said. The purported agreement was broken on April 1 when Wei was arrested.

The family's comments came as a US-based human rights groups said that previously unreleased documents

of his trial last December proved the proceedings were a travesty.

The documents show that "this was clearly a show trial, in which judges and prosecutors went through the motions, employing tautologous arguments, sophistry and quoting the defendant's writings out of context to prove a political point," Human Rights in China (HRIC) said in a statement.

The documents include the official indictments of Wei, statements and petitions by the defendant and his lawyers, and the formal rejection of his final appeal.

Wei, 45, was sentenced on December 13 to 14 years imprisonment for conspiring to subvert the government. His appeal was rejected by the Beijing Higher People's Court on December 28.

HRIC said the documents made it clear that the brunt of the prosecution's case rested on Wei's writings, which it distorted in order to support allegations that he was conspiring to subvert the government.

The group also maintained that the documents revealed "a number of procedural errors committed by the courts," especially during the appeal hearing.

New prosecution evidence presented at the hearing was never shown to the defence, which was only given 10 hours to peruse the case dossier before the appeal started, it said.

Wei has spent all but six months of the last 17 years in police detention or jail.

He was first imprisoned for his leading role in the 1978-79 Democracy Wall movement and released in September 1993, six months short of his 15-year term. In April 1994, he was picked up again and held incommunicado until being charged in November with sedition and sentenced the following month to 14 years.

His brother and sister, Wei Ling, who visited him on February 5 at a prison near Tangshan east of Beijing, said he was thinner but in better shape than during his previous trial.

Chinese officials said Friday a thorough medical examination of Wei had disproved reports that he is suffering from a serious heart condition.

"After being placed in prison, Wei received a thorough health examination which confirmed only hypertension and a fatty liver," the official XINHUA news agency said.



**PRC: Central Discipline Inspection Commission  
Plenary Session***HK0403033496 Beijing RENMIN RIBAO in Chinese  
27 Jan 96 p 2*

[Report by staff reporters Li Demin (2621 1795 3046) and Zheng Hongfan (6774 1347 5400): "When the Thunder Is Big, So Is the Rain — Anticorruption Struggle as Viewed From the Sixth Plenary Session of the Central Discipline Inspection Commission"]

[PTS Translated Text for FBIS] Faced with the challenges of the socialist market economy, will the CPC be able to conduct its anticorruption campaign successfully? And will it be able to gouge out the malignant tumor of corruption, which all ruling parties and all governments utterly detest and yet feel helpless about? The reporters found positive answers to those questions after their interviews throughout the sixth plenary session of the Central Discipline Inspection Commission [CDIC].

Under the leadership of the party center with Comrade Jiang Zemin at its core, the CDIC, as the forward command post in the CPC's and China's anticorruption effort, is taking this campaign further on a very large scale and in a very powerful way. One can say that it is a campaign with big raindrops as well as loud thunder. Not Only Swatting the "Flies," But Also Overpowering the "Tigers" [subhead]

The anticorruption campaign only swats the "flies" and does not overpower the "tigers." This was once a comment from people observing the campaign. Similar comments, made with either good will or ill intentions, also came from overseas. Was that really the truth?

In the work report delivered before the sixth plenary session of the CDIC, Wei Jianxing, member of the CPC Central Committee Political Bureau, secretary of the Central Committee Secretariat, and secretary of the CDIC, announced the following figures: From January through November 1995, the discipline inspection and supervision organs across the country filed a total of 122,476 cases, among which 4,813 cases involved cadres ranking at and above the county (or provincial section) level. A total of 102,317 people were awarded punishment, representing an increase of 7.5 percent over the corresponding period of the previous year, among whom 3,084 were cadres ranking at the county (or provincial section) level, 279 cadres ranking at the prefectural (or provincial department) level, and 24 cadres ranking at the provincial (or army) level, up 29.2, 43.8, and 166.7 percent respectively over the same period of the previous year. The procuratorial organs across the nation put on file and investigated 2,153 cadres at and above the county (or provincial section)

level guilty of crimes like embezzlement and bribery. Among them, 128 were cadres ranking at the prefectural (or provincial department) level and two cadres ranking at the provincial (or army) level.

All people are equal before our party discipline and law of the land and both "flies" and "tigers" are to be punished. People can see this point more clearly now. If one argues that Zhang Wenxiao, former deputy secretary of Anshan City party committee of Liaoning Province, and the five city-level leading cadres of Taian City, Shandong Province, were only medium-sized "tigers," one should look at Wang Baosen, former member of the standing committee of Beijing Municipal CPC Committee and vice mayor; Ouyang De, former deputy chairman of Guangdong Provincial People's Congress Standing Committee; Ping Yijie, former president of Hebei Provincial Higher People's Court; and Chen Xitong, former member of the CPC Central Committee Political Bureau and secretary of Beijing Municipal CPC Committee. One would have to say they were quite high-ranking cadres. Some of those big and important cases have been investigated and wound up and some are under investigation.

These cases of not only swatting the "flies" but also overpowering the "tigers" indicate that the CPC never sides with its members who are in the wrong and is never soft-hearted when handling the "tigers." This was an understanding shared by all the comrades present at the sixth plenary session of the CDIC.

Recently, the Jiangsu provincial discipline inspection and supervision department has handled 16 extra big economic cases each involving at least 10 million yuan, including the case of illegal fund-raising for playing the market by Wuxi Xinxing Industries Corporation. Many of the problems directly involved some vital organs of the party, government, Army, and police and some medium and high-ranking cadres. A batch of "tigers" were overpowered in that campaign. Comrade Cao Keming, deputy secretary of Jiangsu provincial party committee and secretary of the provincial commission for discipline inspection, is known as the "tiger-fighting hero."

"Having the courage to handle tough jobs means one should first be brave enough to handle discipline violations by higher-ranking cadres." Yu Xiang [0060 4382], secretary of Qiqihar City's Discipline Inspection Commission in Heilongjiang Province, once overcame all kinds of obstacles and handled the economic offense committed by a city-level leading cadre. He shared some of his experience in fighting the "tigers" at the plenary session: There was once a big case involving a vice mayor of Qiqihar City who was in charge of urban con-

struction. This person was a well-connected "big shot" who had been working in the city for decades and had very strong backing. This person was Yu Xiang's neighbor and the two families lived on different floors in the same apartment block. But party discipline and state law could not tolerate this person's crime, and the discipline inspection unit, with the support of other relevant departments, went ahead and thoroughly investigated the vice mayor's case till the offender was brought to justice.

Fang Ronggui [2455 2837 6311], secretary of the discipline inspection commission of Jiangcheng District, Yangjiang City, Guangdong Province, set three "on-the-scene" rules for himself in handling corruption cases. These rules are: to assume command at the scene when handling big cases; when difficulties are encountered in handling corruption cases, to study them and make decisions about them at the scene; when obstacles are encountered in handling corruption cases, to come to the scene to remove the obstacles. He said: "As a communist party member and discipline inspection commission secretary, I must not fear wolves ahead and tigers behind. Only by my taking the lead to tackle challenges can we sort out big and important cases."

The party group of the Ministry of Posts and Telecommunications has paid close attention to cases of law and discipline violation committed by leading cadres. They demand that cases be investigated and handled once they are discovered and that the investigation must be thorough, no matter whom these cases may involve and how high-up the culprits are. In the first half of last year alone, this ministry filed and handled five cases committed by cadres ranking at the departmental (or bureau) level, involving 10 of them. The offenders received serious investigation and stern penalty.

#### **Making Sure That "Desires of the Mouth" Are Kept Under Control**

A survey shows that on top of the list of negative and corrupt phenomena that the public find most unacceptable these days is squandering public funds in "eating, drinking, playing, and having fun."

The survey also found that at the moment, the large sums of reception money are not spent on public relations with external parties for economic purposes; instead, they are spent on various departments and various levels of administration within the same sector treating each other to banquets. Some organs and departments have gone so far that "nothing gets done without invitation to wining and dining; anything can be done without discrimination after wining and dining." Even in remote places and beyond, some cadres also wine and dine at public expense and frequently spend

thousands of yuan on one eating spree. Their behavior forms an enormous contrast with the lifestyle of the general public in some places who "drink cold water, munch at field rations, and carry family belongings around on a shoulder pole." This has caused strong discontent among the public. They worry that economic improvement may result in deterioration of the social ethics and better livelihood means corruption of our cadres.

However, discipline inspectors challenge the idea that "desires of the mouth" cannot be controlled. To firmly put an end to the widespread practice of wining and dining at public expense, the fifth [as published] plenary session of the CDIC unequivocally put forward two prohibitions, which were: "not to accept any invitation to banquet which may affect impartial exercise of public affairs," and "not to attend entertainment activities in commercial singing parlors, dance halls, and nightclubs paid for with public funds." All localities and departments were required to execute those prohibitions conscientiously.

The CDIC and Ministry of Supervision first organized 11 inspection teams to specifically inspect the execution of those two prohibitions by central state organs. After that, the effort to stop this malpractice gathered momentum all across the country.

To bring the "desires of the mouth" under control, leading cadres should take care of their own first. Whenever Han Zhubin, minister of railways, visited grass-roots organizations, he made sure that there would be no reception or send-off, no accompanied dining, no car service, and no sightseeing. He only ate in the hostel or workers' canteen with no high-grade dishes or liquor served. This has won him positive comments from cadres and workers. The discipline inspection and supervision departments in various localities concentrated their investigation resources to inspect high-class restaurants and singing parlors and many violators of discipline in defiance of the campaign were "exposed" by the media, turning themselves into local "newsmakers." The party committee of Xinjiang Autonomous Region guided the leaders at all levels to adopt a basic criterion for considering issues and handling affairs and this criterion is to find out "whether or not the people would support it, whether or not the people would agree with it, whether or not the people would be happy about it, and whether or not the people would tolerate it." Over 60 work teams were organized by the party committees and governments of 15 prefectures, autonomous prefectures, and cities alone. They visited more than 3,000 homes of poor peasants and herdsmen and enterprise employees in difficult circumstances. Through such investigations and visits, many leading cadres gradually realized that



dining and wining at public expense is not just an issue of having a treat at a function, but is actually an important political issue.

After the "desires of the mouth" were brought under control, high and medium-grade restaurants and dance halls felt the strongest impact. Their sales generally dropped by 30 to 50 percent. The reception expenses of an overwhelming majority of units were significantly reduced.

#### **Checking "Three Arbitrariness" by Investigating Both Openly and Secretly**

For some time now, the "three arbitrariness" found on highways, namely, arbitrary setting up of checkpoints, arbitrary imposition of monetary penalties, and arbitrary collection of tolls, have become a trade-specific malpractices strongly disliked by the public.

There is a saying which goes: "Set up a toll station and you can pocket millions a year," or "To get rich, go to the highway." Highways have become "money spinners" for some localities and departments. Besides public security, transport, and forestry departments setting up checkpoints on the road, industrial and commercial, taxation, and treasury departments also vie with each other to take advantage of the road. In some cases, townships, towns, and administrative villages also set up checkpoints without authorization. Drivers describe how they feel about it in a vivid and profound way: "The wheel turns and my heart trembles"; all the way, "you keep smiling, keep saying nice things, keep offering cigarettes, and keep paying penalties." There was one outrageous case: A worker from Siyang, Jiangsu Province, was on his way to visit his father who was critically ill and his vehicle was stopped. He pleaded on his knees but the checkpoint refused to let him go. In some places, if a vehicle from another area goes through, it will be fined 10,000 yuan as "sponsorship" [zan zhu fei 6363 0504 6316]. Do something about the difficulty in travelling by road: This is what the public have been crying out for.

In the summer of 1995, the CDIC and the State Council Office for Checking Unhealthy Tendencies in Business Activities deployed inspection teams on four routes, i.e., toward the east, west, south, and north. Each team was headed by a minister and went on a trip of open and secret investigation. A handful of localities, their vision confined to their local interests, had been half-hearted about the rectification work. As a result, some toll or fine-collecting units practiced these tricks: "When the higher authorities have a policy, the subordinates have a countermeasure"; "when you are here to inspect, I take it away; the moment you are gone, it is back on"; "collect tolls on minor roads, not the main ones; collect at night,

not during daytime"; and so on. This has caused frequent relapses of the "three arbitrariness" on highways. Various provinces, municipalities, and autonomous regions put in tremendous efforts and, through open and secret investigation, achieved most gratifying solutions.

In January last year [1995], Lu Rongjing, Anhui provincial party committee secretary, solemnly proposed at the sixth provincial party congress that dismantling and merging checkpoints and clearing up the "three arbitrariness" on highways should be treated as an important measure for improving the investment environment and accelerating economic development, and positive results must be achieved with substantive efforts. They conducted education by highlighting typical cases and got twice the result with half the effort by "handling one case and educating many."

The leaders of the discipline inspection commissions and supervision department of Fujian Province traveled incognito. They stayed in wayside hotels, ate in wayside restaurants, hitchhiked on trucks, braved the wind and dew, traveled day and night, and covered over 1,000 km. They discovered and handled some lawless people who were violating discipline in defiance of the campaign by blackmail and extortion.

The leading comrades of the CDIC said: Thanks to the efforts of all localities, more than 6,000 toll stations and checkpoints all over the country which were not authorized by the government have been dismantled recently. Drivers are reporting that all kinds of unauthorized tolls and penalties have now significantly reduced, and forced car washing has been almost completely eradicated. The party and government have done another thing which pleases the masses immensely.

#### **One Must Not Be Allowed To "Ignore the Red Light" When Developing the Economy**

At the session, discipline inspection cadres once again emphasized that though we should be bold and quicken our pace in developing the economy, we must never ignore the "red light" in party discipline, government discipline, and the law.

The idea that "party discipline must give way to economic development" is wrong. Let us illustrate this with a case that we heard about at this session: Some time ago, Jixi Mining Administration received a letter from members of the public, which contained a poem about a company manager. The poem goes:

"It has only been a year since the manager assumed office,

But the company now has nearly a million yuan in losses;

He spent a fortune and bought a saloon,  
But workers cannot get paid for many a moon;  
He goes sightseeing with his dancing partner,  
But for the operation of his company he is no manager;  
His misconduct is condemned by all,  
And we hope authorities will send us an honest official!"

Seeing the reality of some enterprises where "a poor temple houses a rich abbot," one is able to make a correct judgment on the idea mentioned earlier.

The delegates attending the session agreed that the more prosperous the economy and the deeper the reform, the more necessary it is to strengthen discipline. We must not at any time and under any circumstances try to obtain temporary economic development at the expense of spiritual civilization. These reporters found out from the session that discipline inspection and supervision departments at all levels have contributed to the enterprises' effort to make up losses and increase profits, and also to the development of local economies, by helping enterprises clean out "vermin" as part of their function.

The party committee of Zhangjiagang City, Jiangsu Province, made it clear that "the public will not feel reassured and economic development will not make headway unless corruption is eradicated and widespread malpractices redressed" and that "when party conduct is upright and the public are satisfied, our cause will become prosperous." Each year, the city party committee analyzes and rectifies some 20 enterprises which have suffered abnormal losses. With each round of rectification, they are able to dig out a batch of "vermin" in enterprises and help a batch of enterprises turn loss into gain. Through the rectification effort, they have found the optimum point of integration between enterprise economic improvement and the betterment of party and government conduct. The public are happy about this and the enterprises welcome this.

#### **While Symptoms Should Be Treated, the Root Cause Requires More Attention**

While the symptoms of corruption should be treated, its root cause should be addressed more attentively. The key to this is to have a good system whereby supervision within the party can be strengthened and improved.

The sixth plenary session of the CDIC decided to give further play to the supervisory function of the party's discipline inspection commissions toward party and government leading cadres, especially those ranking at the provincial and ministry levels. Under the precondition of adhering to the existing leadership system, it reiterated and introduced a number of important systems. They mainly include the following: The CDIC will se-

lect and send ministry-level cadres to localities and departments on inspection tours. They are to find out how the provincial and ministry-level leadership groups and their members have been implementing the party's line, principles, and policies and how they have been faring in terms of clean and honest conduct. They report directly to the CDIC and their findings should be submitted to the party center in good time. The party discipline inspection commissions (or discipline inspection groups) of localities and departments are authorized to conduct preliminary verification and report directly to the discipline inspection commission at a higher level if they find any party committee (or party group) at the same level or any of its members has violated party discipline; no organization or individual may interfere or try to stop them from doing so. When a local or departmental party discipline inspection commission (or discipline inspection group) receives an accusation from any member of a party committee (or party group) at the same level, it must report to the discipline inspection commission at a higher level the same time it reports to the party committee (or party group) at the same level. Nobody has the right to withhold such information. For the promotion or appointment of a chief leading cadre of a locality or department, the party organizational department concerned should consult the discipline inspection commission (or discipline inspection group) at the same level prior to submitting the proposal to the party committee (or party group) for deliberation and decision.

In fact, many provinces and municipalities have taken steps to introduce and improve the integrity of the cadre supervision mechanism and have made positive explorations.

Beiliu City of Guangxi Province has introduced "Rules of Procedure for the Standing Committee of the City CPC Committee," "Rules of Procedure for the Mayor's Office Meetings," "Challenge System for Leading Cadres," and "The System of Clean Conduct Cards." When a leading cadre violates a regulation, they can ensure that supervision is available at the right time and to the right degree. Thanks to the support of forceful rules and regulations, this city was able to handle the "extraordinary case concerning cement in Beiliu" and punished Lu Jianxing [0712 0256 5887], who was the principal culprit in this case, former deputy head of the county in charge of industry, and a once famous recipient of a national "1 May Labor Medal." They also investigated and handled a vice mayor named Liang [2733] who, as a leader, was mainly responsible for the "prostitute-visiting case in Shenzhen."

The party committee of Changping County, Beijing, decided that on any issue concerning personnel arrangements for cadres, the county discipline inspection com-



mission has a veto. When the county party committee's organization department wants to promote or appoint a cadre, it always consults the discipline inspection department before submitting its proposal to the standing committee of the county party committee for deliberation.

Tianjin Municipality has solved quite well the problem of arbitrary imposition of charges in primary and middle schools, by introducing regulations and strengthening management. For two years in a row, they have been following the "three-limit" policy in the recruitment of pupils selecting preferred senior middle schools, namely, limiting examination scores, limiting the number of pupils, and limiting the amount of fees. In this way, they have been able to eliminate the phenomenon of buying examination scores or school admission with money. At the sixth plenary session, the reporters heard the anticorruption thunder and saw the raindrops as well: Loud was the thunder and big were the raindrops. When the reporters related this observation to the leading comrades of the CDIC, they said: One should not make any overstatement. Overall, there is still a wide gap between what we have achieved and what is expected by the public. At best, one probably can only say that there is thunder and we have raindrops to go with it. But one may believe that with the firm and strong leadership by the party center with Comrade Jiang Zemin at its core and the resolute support from the people of the whole nation, the thunder will be even louder and the raindrops will also be bigger and we are bound to be able to further deepen the anticorruption campaign.

**PRC: Buhe Discusses Development of Legal System**  
*OW0303050996 Beijing XINHUA in English*  
*0255 GMT 3 Mar 96*

[FBIS Transcribed Text] Beijing, March 3 (XINHUA) — The framework of a legal system has taken shape in China's national minority areas, which has helped ensure overall economic and social development in the areas inhabited by various ethnic groups, a senior legislator said.

Based on fundamental principles in China's constitution, the Law on Minority Nationality Regional Autonomy was worked out and put into effect in 1984, which serves as a comprehensive law to regulate the relations between the State and the autonomous ethnic minority areas, National People's Congress (NPC) Standing Committee Vice-Chairman Buhe told Xinhua.

Between 1979 and 1995, NPC, China's top legislature, and its Standing Committee passed more than 200 laws, over 40 of which make stipulations on ethnic issues covering political, economic and social sectors.

The State Council, China's highest governing body, and local legislative bodies have formulated some regulations regarding ethnic matters.

China has set up five autonomous regions, 30 autonomous prefectures and 121 autonomous counties, which cover 6.17 million sq km, 64.3 percent of the country's total territory. The heads of these ethnic autonomous areas are all citizens of local ethnic groups which implement autonomy.

To guarantee ethnic people more chances to participate in state affairs, there is at least one deputy to the NPC from each ethnic group, Buhe said.

At present, there are 439 NPC deputies, 14.69 percent of the total, from minority ethnic groups whose population account for 8.4 percent of the country's total population.

The Communist Party of China and the government have been placing emphasis on training cadres from ethnic groups, he said.

Up to now, 2.4 million cadres are from ethnic groups, who have made special contributions to safeguarding the unity of the motherland, promoting ethnic solidarity and boosting local social and economic understandings.

In 1994, the total value of industrial and agricultural products in areas inhabited by ethnic minorities reached 577.1 billion yuan (about 69 billion US dollars), five times that of 1985. The growth rate between 1986 and 1994 stood at 10.7 percent on the average each year.

In accordance with the law, the State has been offering special assistance to areas of ethnic groups, he said.

In 1994, 15.34 million students from ethnic groups are attending various schools.

Public health care in these areas has also seen great improvement. In the Tibet autonomous region, the average life span of Tibetans has reached 68 years as against 36 years four decades ago.

However, the vice-chairman noted that as time goes by, some of the laws have to be updated and amended, and more detailed regulations are yet to be worked out.

**PRC: Deng Liqun Remembers Burhan Shahidi**  
*HK0503031796 Beijing RENMIN RIBAO in Chinese*  
*26 Feb 96 p 11*

[Article by Deng Liqun (6772 4539 5028): "Unforgettable Years, and Precious Friendship — Reminiscences of the Years of Working Together With Comrade Burhan Shahidi"]

[PTS Translated Text for FBIS] The date 1 October 1995 marked the celebratory 40th anniversary of the

founding of Xinjiang Uygur Autonomous Region. At that festive moment, I could not help recalling the unforgettable historical years of working together with Comrade Burhan Shahidi in Xinjiang for the peaceful emancipation of the region 40-plus years before.

Sent by the CPC Central Committee, I arrived in Xinjiang's Ili via Moscow on 14 August 1949. At that time my assignment was to establish ties, in my capacity as CPC Central Committee liaison official, with leaders of the three regions [san qu 0005 0575], the Kuomintang military and government authorities stationed in Xinjiang, and responsible persons of the underground party organization of Dihua [6611 0554] (today's Urumqi) to find out about their political ideas and various opinions to provide grounds and references for central decisionmaking.

In the early days of my arrival in Ili, first I got in touch with leaders of the three regions, and sent off delegates to the National Chinese People's Political Consultative Conference, including Amahaitijiang [7093 0678 6314 2251 3068]. In the wake of the Chinese People's Liberation Army's (PLA) emancipation of Lanzhou in late August, Comrade Saifudin Ismail told me: Burhan of Xinjiang Provincial Government had sent a messenger to the Manasi [3854 4780 2448] Front in an attempt to contact Amahaitijiang; the messenger carried a letter in Burhan's own handwriting which expressed the desire to conduct important talks with leaders of the three regions. From the information at that time, Burhan wanted to exert efforts for Xinjiang's peaceful emancipation and hoped for support from leaders of the three regions. From several channels, I also learned that Comrade Burhan was a key figure among the leftists in the Xinjiang Provincial Government and had close ties with leaders of the three regions, including Amahaitijiang. The PLA's emancipation of Lanzhou had a strong impact on Dihua; the rightists were very worried whereas the leftists were very happy. When the leftists received news broadcast by XINHUA News Agency, they disseminated it everywhere. This demonstrated that it was time to resolve the Xinjiang issue.

Around 10 September, a deputy consul of the USSR Consulate arrived in Dihua. He briefed me on the conditions in Dihua, and proposed: "Burhan is not only one of the key figures involved in Xinjiang's political situation, but also a genuine progressive, who enjoys very high prestige among various nationalities in Xinjiang. Since he took office of Xinjiang Provincial Government, he has done voluminous work to remove reactionaries from the government while supporting progressive forces. He thirsts for peaceful emancipation of Xinjiang and welcomes the PLA entering Xinjiang. Presently, he

hopes that he will receive direct instructions from the CPC Central Committee. They heard that the CPC Central Committee has already sent someone to Ili; therefore, they hope that they can get in touch with you as quickly as possible. Now that the conditions seem to be ripe, will you personally go to Dihua and get in touch with them?" For this reason, I sent a cable to the Central Committee, which soon approved of my leaving for Dihua.

At that time, the Central Committee showed great concern for Xinjiang's peaceful emancipation. On 2 September, Chairman Mao and Premier Zhou sent for General Zhang Zhizhong for talks, and hoped that he would do some work for Xinjiang's peaceful emancipation, which Zhang Zhizhong gladly accepted. For this reason, he sent a cable to Tao Chiyue [7118 1492 14171] and Burhan, which I carried, arriving in Dihua by plane on 15 September.

When I arrived at Dihua, three things were quite beyond my expectations: First, Burhan, in the capacity of chairman of Xinjiang Provincial Government, personally came to the airport to receive me; second, he let me take the same car with him, and cordially addressed me as "comrade"; and third, he made arrangements for me to stay in his own house, providing a place for my telegrapher and I to live and work. Later, from the strict security inside and outside the court of his family, I saw that he had made all these arrangements for our safety. The environment then was considerably dangerous. The attitude of Kuomintang troops stationed in Xinjiang had not been quite clarified; in particular, there were several officers who adhered to a reactionary stance in the army to make a last ditch attempt, and even plotted to assassinate Burhan and other progressives. Under such circumstances, Burhan was so courageous to allow me, a Communist liaison official, to stay at his own home; this was an act that called for unusual courage and resourcefulness.

Burhan showed utter admiration and approval of the Central Committee decision on Xinjiang's peaceful insurrection. On 19 September, he asked me to send a cable to Chairman Mao, the full text of which is as follows: "Dear Chairman Mao: The PLA has successfully completed the great cause of the people's emancipation; I herewith extend my joyful congratulations. With regard to the call of New Democracy and showing respect for the interests of minority nationalities, Xinjiang has long had firm confidence and sincerity of support from it, and is determined to sever all relations with the Kuomintang reactionary government. We have now made all preparations to eliminate the reactionary forces, to accept leadership so that every corner in Xinjiang may celerate a rebirth, and to complete the emancipa-



tion of all of China under your leadership. Here I send this cable to express my heartfelt sincerity, and hope for your understanding. Respectfully yours, Burhan." Attached to the cable was a poem written in Chinese, which I kept; regrettably, it was lost during the "Cultural Revolution."

Through talks on many occasions, Burhan and I reached unanimous agreement on the issue of Xinjiang's peaceful insurrection; a major work that followed was to do a good job of winning over Tao Chiyue. In my talks with Tao, I relayed to him the cable written by General Zhang Zhizhong. At that time, Tao Chiyue also knew that Zhang Zhizhong, as peace talk representative of the Guomintang Nanjing Government, had not returned to Nanjing in the wake of the breakup of the Kuomintang-CPC peace talks, but stayed in Beijing instead. When he saw that the CPC Central Committee had attached importance to Zhang Zhizhong and his role in Xinjiang, he removed the doubts and anxieties in his mind. It seemed that the cable that Chairman Mao had asked Zhang Zhizhong to send was very effective.

With respect to winning General Tao Chiyue over to take part in the insurrection, Tao Chiyue told me at the very beginning: Hu Zongnan was several months behind schedule in delivering soldiers' pay and provisions. As soon as they were delivered, they would immediately announced insurrection. At that time, Hu Zongnan still had army forces in Shaanxi, and the diehards under Tao Chiyue still cherished the illusion of Hu Zongnan. But soon, Hu's army in Shaanxi was eliminated by the Northwest PLA. The diehards Ma Chengxiang, Ye Cheng, and Luo Xu believed that it was a hopeless situation. Under such circumstances, Burhan and Tao Chiyue worked closely in cooperation and spent a huge sum of money to buy those diehards over, who agreed to hand over their command of the troops and cross the border of Xinjiang as quickly as possible, thus removing the last hurdle to the peaceful emancipation of Xinjiang. General Tao Chiyue issued an open telegram to announce insurrection on 25 September. On the very next day, Burhan's open telegram on insurrection followed.

In the wake of the PLA entering and stationing in Xinjiang, Comrade Burhan displayed one clearcut characteristic: obedience to the Central Committee on all issues concerning Xinjiang. He worked in great harmony with Comrades Peng Dehuai and Wang Zhen. Comrade Burhan gave all-out support and did voluminous work on such issues as suppressing bandits and stationing troops to reclaim wasteland.

Shortly after Xinjiang's peaceful insurrection, Comrade Burhan handed in his application for CPC membership.

In December 1949, Comrade Burhan was recruited to the CPC with the recommendations of Comrades Wang Zhen and Xu Liqing.

In May and June 1951, when I was director of the Xinjiang Provincial Government Department of Foreign Affairs, Zhang Wentian's secretary sent me some material which revealed historical data on relations between Yakub [a ku bo 7093 0657 2672] and the British king. On an informal occasion I let Comrade Burhan read it. He said he had read those materials before. Yakub, lackey of British imperialism, had usurped the fruit of Xinjiang peasant riots in a vain attempt to split China. Through this understanding Comrade Burhan was flying his own colors among nationality cadres, because some people had muddle-headed understanding, erroneously believing Yakub to be a "nationality hero." Later, in his articles "On the Yakub Regime" and "More on the Yakub Regime," he made scientific demonstrations on that issue. His concept won Chairman Mao's praise.

In 1952, I left Xinjiang and returned to Beijing. From then on, I had no more direct work connections with Comrade Burhan, but the precious memories of those unforgettable days of our working together in Xinjiang have always been kept in my mind.

### Military & Public Security

#### PRC: PLA Ground-to-Ground Missile Test Coordinates Announced

OW0403232996 Beijing XINHUA Domestic Service  
in Chinese 2208 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 5 (06:00 hours) (XINHUA) — XINHUA NEWS AGENCY is authorized to announce that from March 8 to 15, 1996, the Chinese People's Liberation Army [PLA] will conduct ground-to-ground missile launching trainings in a sea area formed by a line connected by four points at 25 degrees 13 minutes N and 122 degrees 20 minutes E, 25 degrees 13 minutes N and 122 degrees 40 minutes E, 24 degrees 57 minutes N and 122 degrees 40 minutes E, and 24 degrees 57 minutes N and 122 degrees 20 minutes E, and in a sea area formed by a line connected by four points at 22 degrees 38 minutes N and 119 degrees 25 minutes E, 22 degrees 38 minutes N and 119 degrees 45 minutes E, 22 degrees 22 minutes N and 119 degrees 45 minutes E, and 22 degrees 22 minutes N and 119 degrees 25 minutes E.

For the sake of safety, the Chinese government requests the governments of relevant countries and the authorities of relevant regions to notify ships and aircraft of their countries and regions not to enter the said sea areas and air spaces during this period.

**PRC: China's 'Security Strategy' No Threat to West or Asia**

HK0403024696 Beijing CHINA DAILY in English  
4 Mar 96 p 4

[By Yan Xuetong, deputy director of the Centre for China's Foreign Policy Studies with the China Institute of Contemporary International Relations: "China Security Goals Do Not Pose a Threat To World, Analyst Says"]

[PTS Transcribed Text for FBIS] The rising noise of the "China threat" has instigated worries that with its ultimate industrialization early next century, China's economic growth will be converted into military strength and will stand as a danger to the international community.

Such misgivings are obviously owing to ignorance of China's security strategy.

China is not and will not be a threat to either Western or Asian countries. This is the conclusion based upon a close analysis of the country's security strategy for the next 15 years, including its overall priority in the next 15 years, its position on Taiwan, its principle for handling territorial disputes, the possibility of its outward expansion and its military capability and its stand on curbing arms sales.

First, China should concentrate on modernization. In the next 15 years, the economy is projected to maintain an annual growth rate of 7.4 per cent. Even if this rate is raised to 8 per cent, by the year 2010 GDP will only reach \$2,000 billion in 1995 prices; and the per-capita GDP will only be \$1,560 in 1990 prices, indicating that China at that time would have barely eradicated poverty and would still be among the lower echelon of the "middle class."

Economic construction shall remain the government's priority. Consequently, its security strategy is to maintain a favourable environment for the economy and make utmost efforts to prevent military confrontation, whether within or outside its border.

Second, as for Taiwan, some people raised questions about the Chinese Government's attitude on peaceful reunification.

Since the 1980s, the Chinese Government has regarded peaceful reunification of the country as a strategic target.

The political will of the Chinese authorities for reunification has always been consistent. The central government will not give up efforts for peaceful reunification so long as there is still some hope.

But it is not totally up to the central government whether there will be hope for peaceful reunification in the next 15 years.

Drawing strength from the continued purchasing of advanced military equipment from the United States, the separatists on the island might pull further away from the motherland.

Judging from the trend of increasing sales since 1992, by the year 2010 the military equipment in Taiwan will be up to the 1980s level of the US, which will amount to substantial political support for the separatists.

If at the same time the mainland's military equipment by year 2010 will be lower than that of Taiwan, the separatists might be prompted to declare independence and force the mainland to use force.

To a certain extent, whether the Chinese Government sticks to its peaceful reunification strategy depends on the US Government's policy concerning military sales to Taiwan.

If the US stops its sales, the peaceful reunification process will be accelerated. Even if this process can not be completed by 2010, conditions will be more favourable as the gap of the living standards on both sides of the Taiwan Straits will have narrowed.

Third, some people think China will resolve territorial disputes through military means.

Ensuring territorial integrity is of pivotal importance to all modern nations, including China. Since 1949, China has had some border disputes, including military confrontations. But China has never been the party that first inflicted military force. China only wielded military power when other countries first used force to occupy Chinese territory or disputed land.

It will be reasonable to predict that in 15 years China will not be the first country to use military force when dealing with territorial disputes.

After the end of the Cold War, China signed many border agreements and in the next 15 years will sign more. By then the country will have fewer border disputes.

Fourth, China will not embark upon the road of expansion. China's nationalism has always been characterized by self-salvation instead of the egoistic tendency of Western countries and, accordingly, its traditional culture is permeated with pacifism.

And in its security strategy China has always valued friendly relationship with its neighbours. As far back as in the 1950s, China has upheld the five principles of peaceful co-existence.



While planning its security strategy, China has always intended it to be defensive in nature.

Also, as science and technology have become the chief engines of productivity, China will no longer follow the path of those old powers which in their modernization process resorted to overseas expansion and colonialism to seize resources for powering their modernization.

Fifth, China has already signed international treaties banning or limiting the spread of arms. And by the year 2010 China will be more active in curbing the spread of weapons as such efforts will be in its own interest. Because only by preventing the arms sales by the US to Taiwan can the peaceful reunification of the country be realized.

Sixth, China's military strength will be relatively limited even by the year 2010.

Even if China's economy maintains a robust momentum till 2010, its military strength will hardly rival the world's military powers.

In 1994, China's national defence budget accounted for 1.3 per cent of its GDP. If China's average annual growth rate is as high as 8 per cent in the next 15 years and its national defence budget accounts for 2 per cent of its GDP, its national defence budget will be no more than \$40 billion, less than the amount spent by Japan in 1994.

The accumulated amount of the national defence budget in the 15 years starting from 1996 will be \$356.2 billion, only 31 per cent more than the US defence budget in 1994.

Given the limit of its national defence budget, China's military will be defence-oriented even by 2010, without the blue-water fleet.

According to American military analysts, currently the gap of military technology between China and the US is 40 years.

Even if in the next 15 years China can complete the technology upgrading that usually takes 30 years, by the year 2010 its technological level can at most reach the level of the US in the late 1980s, with its military equipment matching the level of the US in early 1970s.

As China is to stress the quality of the military, in the following 15 years the size of the military will probably be further reduced to within 3 million.

If the US stops its military sales to Taiwan, then it is certain that by 2010 the size of the Chinese military will be much smaller than the current level.

Meanwhile, in the next 15 years China's national defence industry will be further transformed into civilian

use unless there is a severe security crisis. In 1994, about 80 per cent of the output value of the defence industry belonged to civilian products. This pattern will remain largely unchanged by 2010.

As suggested by the ratio of the military and civilian products, the percentage of military spending for purchasing equipment cannot be very big.

In 1994, about 31.7 per cent of China's defence budget was used to buy equipment. The percentage might rise, but the growth margin will be limited due to the rising living cost and maintenance fees.

Even if the percentage grows at an annual 0.5 per cent, by 2010 the equipment spending will only be 39 per cent of the defence budget.

As self-reliance is a cardinal principle for the country's national defence research and development, China will not spend much money in purchasing overseas equipment.

#### **PRC: Liu Huaqing on PLA Ideological Building**

*HK0403023196 Beijing JIEFANGJUN BAO  
in Chinese 23 Feb 96 p 1*

[Report by special correspondents Hu Xunjun (5170 6064 6511) and Zhang Zhimeng (1728 2535 3718): "During His Visit to Officers and Soldiers of the 'Red First Company' of Guangzhou Military Region, Liu Huaqing Stresses Need for Army To Put Ideological, Political Building Above All Else"]

[PTS Translated Text for FBIS] Guangzhou, 22 Feb (JIEFANGJUN BAO)—On the morning of 21 February, in the company of Commander Tao Bojun and Political Commissar Shi Yuxiao of the Guangzhou Military Region and braving a cold wind and a drizzling rain, Liu Huaqing, Standing Committee member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission [CMC], called on and extended New Year greetings to the officers and men of the "Red First Company" of the Guards Battalion under the Guangzhou Military Region as well as comrades on holiday duty from the administrative organs of the military region. During a discussion with cadres and soldiers of the company, Vice Chairman Liu stressed the absolute need for the company to place ideological and political building above everything else, and to strive to build itself into a unit that is really up to the mark in an all-round way.

Vice Chairman Liu first came to the cookhouse squad of the company, where he looked into the company's mess arrangements, and inquired in great detail about market prices and the company's living standards. He

was very pleased to learn that with three mu of vegetable plots, the company is self-sufficient in vegetables and can provide "four dishes and one soup" all year round. The vice chairman then visited the living quarters of the squads and platoons, where he extended New Year greetings to the soldiers, and made inquiries of every soldier about his native place, age, family, and the political study and military training of the company. After listening to the personal experience of the soldiers in carrying out the activity of "four educations" in the company, Vice Chairman Liu said: Yours is a Red Army company founded in the Jinggangshan; and having the honor to work in this company, you comrades must try to successfully preserve and carry forward the glorious traditions of the Red Army. The Red Army enjoyed many fine traditions, among which effective ideological and political work has always been our political advantage and magic weapon for army administration. To further strengthen the ideological and political building of our units, Chairman Jiang has urged the Army to pay close attention to promoting education in patriotism and dedication, education on the revolutionary outlook on life, education on showing respect for the cadres and love for the soldiers, education on carrying out hard struggle. In their efforts to answer Chairman Jiang's call, the officers and men of the whole army have taken an active part in the "four educations" activities and have attained remarkable results in their work at different levels. Continued efforts in this aspect are expected this year. In my opinion, the main focus of the "four educations" carried out at the company level is to resolve the fundamental question "for whom we are living and how we should conduct ourselves"; help officers and men establish a correct outlook on life and values, and eliminate the incorrect concept that it does not pay to be a soldier; and further enhance both their consciousness in devoting themselves to the national defense cause and their ability to resist the corrosive influence of money worship and pleasure-seeking.

During the discussion, Xiao Liu, a soldier from Shandong, reported that before he joined the Army he worked as a computer technician in a local unit and earned a monthly salary of over 500 yuan; yet he understood that to safeguard our motherland, one should not think only of his economic gain but should give consideration to overall political needs. Hearing this, Vice Chairman Liu expressed appreciation: Your thought is correct. The monthly allowance of several dozen yuan in the Army is much less than 500 yuan, yet being a soldier is to serve the motherland and the people, and a country cannot survive without a powerful army; even when our country becomes more prosperous and our people better off in the future, we still need a powerful army for defense purposes. We must correctly handle relations between

the small family and the big family, and between individual interests and national interests, stress selfless dedication at all times, and value the interests of the country and the people above everything else.

Vice Chairman Liu also inquired in detail about the comprehensive building of the company. Upon learning that the company had always done a fairly good job in the building of its party branch, military training, education and management, and logistical support, Vice Chairman Liu was very pleased and said: This is exactly the way to build our Army into one which is really up to the mark in all fields in line with the five-point requirement of Chairman Jiang. To build a company that is really up to the mark in all fields, we should first lay a sound ideological foundation by bringing up politically qualified cadres and soldiers. No matter under what circumstances, our Army should place ideological and political building above everything else. The political education carried out at the company level is one of the major means to ensure the political qualifications of cadres and soldiers and should therefore be carried out not only in a down-to-earth manner but in a flexible way. We should constantly study new situations and solve new problems, so that our political education can keep to the point in a more effective way. Meanwhile, we should also make the most of the big classroom of society, imposing management of a closed type on the one hand and introducing an open education on the other, so as to enable our soldiers to gain a timely understanding of the local economic construction, the living standards of the local people, and the spiritual civilization building of the place where they are stationed; draw rich spiritual nutrition from the local people; and further arouse the political enthusiasm of officers and men in loving the Army and mastering military skills, as well as in emulating, loving, and serving the people. What is more, it must be born in mind that a successful political education should also be carried out in vivid and vigorous forms.

Vice Chairman Liu also made inquiries of the company's commander and political commissar about their tenure of office, personal experience in their work, and their ideological trends. He pointed out: Company commander, political commissar, regimental commander, and political commissar are very important work positions and also the posts which can temper people to the full; staying in these posts for several more years, one can gain rich work experience at the grass-roots level and can handle any work with high proficiency in the future. To be qualified military and political officers in a company, you should not only have a strong sense of dedication and responsibility, but should also administer your units strictly in line with rules and reg-



ulations. Since you are in charge of guard work, the management of your unit must be particularly strict, for example, persisting in the roll-call system as well as the systems of making night rounds of soldier's beds and inspecting the sentries. Once their officers and men enjoy an enhanced political consciousness, a purer ideological understanding, and a perfect mastery of military skills, and can observe organizational discipline strictly, companies can undoubtedly develop a high combat effectiveness.

Lastly, Vice Chairman Liu came to the company's cultural and recreational center, where he sang the song "The People's Army Is Loyal to the Party" together with the soldiers in high spirits.

Prior to his visit to the company, Vice Chairman Liu was briefed by leading comrades of the party committees and governments of Guangdong Province and Guangzhou City on local economic construction, double-support work, and work in other fields. He also called on some veteran comrades of the Guangzhou Military Region together with Yu Yongbo, director of the PLA General Political Department. He said during a discussion: Today's good work aspect of the Guangzhou Military Region is inseparable from the hard work of veteran comrades who are present at the meeting today. It is my hope that all levels can show greater care for the political life and livelihood of veteran cadres, while the latter can continue showing concern for national affairs and care for and support the building of our unit. The Guangzhou Military Region did a good job last year, and I hope it can do a better job in the new year in the comprehensive building of its units in line with Chairman Jiang's five-word requirement. Special attention should be paid to regarding ideological and political building as the task of first importance for the comprehensive building of units, and effectively resist the corrosive influence of "a gay life" in light of the special features of special economic zones and open areas where soldiers are garrisoned.

#### **PRC: Jiang Zemin Signs PLA Oil Regulation Decree**

*OW2802103996 Beijing XINHUA Domestic Service in Chinese 0430 GMT 28 Feb 96*

[By Zhang Dongbo (1728 2639 3134) and Zhu Cheng (4555 6134): "Jiang Zemin Signs a Decree Promulgating the 'Oil Regulations of the People's Liberation Army of China'"]

[FBIS Translated Text] Beijing, 28 Feb (XINHUA) — Jiang Zemin, chairman of the Central Military Commission, signed a decree a few days ago on the promulga-

tion and implementation of the "Oil Regulations of the People's Liberation Army (PLA) of China."

The regulations are divided into 10 chapters and 46 articles, including general principles, duties, oil assurance, oil equipment assurance, technology assurance, oil storage, management of filling stations, training and scientific research, war preparation, awards and punishment, and supplementary articles. The regulations take Mao Zedong military thinking, Deng Xiaoping army building thinking in the new period, and Chairman Jiang Zemin's general requirements for army building as guidance and relevant laws and regulations as a basis; absorb the historical experience of our army in oil work; and affirm successful practices of the armed forces in recent years in reforming the oil supply and management structure, operation structure, and so on.

A concerned official in charge of the PLA General Logistics Department said that the regulations are the first systematic basic regulations of our army for standardizing oil work. Their implementation signifies that oil work in our army has entered a new stage of comprehensive construction and development. The official said that with the increase in our army's mechanical equipment, the consumption of various kinds of fuel oil, lubrication oil, grease, and special solutions for military equipment will notably increase; and the position and role of oil assurance in all logistics assurance will become more and more prominent with each passing day. The development of the socialist market economy has also given rise to new situations and many new problems our army's oil work. The formulation of basic regulations on oil work has become inevitable.

#### **PRC: Fu Quanyou Reads Jiang's Order on Model Soldier**

*HK0403035496 Beijing JIEFANGJUN BAO in Chinese 2 Feb 96 p 1*

[Report by Zhang Jiajun (1728 1367 6511) and Sun Jilian (1327 4949 3550): "Fu Quanyou Reads Out Order, Confers Medal, Certificate on Huang Binghua, Model Scientific, Technological Cadre Devoted to National Defense Modernization"]

[PTS Translated Text for FBIS] Beijing, 1 February—The Central Military Commission today conferred the honorable title of "Scientific and Technological Cadre Devoted to National Defense Modernization" upon Huang Binghua at a Beijing rally.

Fu Quanyou, Central Military Commission member and chief of the General Staff Department, read out an order signed by Chairman Jiang Zemin and conferred a first-class hero and model medal and a certificate upon Huang Binghua.

Last spring, just before a large missile position project built by Second Artillery Corps was about to be completed, Huang Binghua, overtired, fell to the ground. A hospital diagnosed that he was suffering from advanced-stage lung cancer. Last year, when meeting with representatives of heroes and models of the project construction unit, Central Military Commission Chairman Jiang Zemin especially walked up to Huang Binghua and grasped his hands, saying: I have read about you. You're sick and should take good care of yourself. Huang, deeply moved, nodded.

Since then, Huang Binghua adopted an optimistic and staunch attitude toward his illness and actively cooperated with doctors in medical treatment. He fought against his illness in the same indomitable spirit that he had displayed on the project construction site. Though his condition reacted unfavorably to chemotherapy, he always smiled and told doctors: You can do whatever you see fit on me. I have been involved in technical work all my life. I know after an endeavor is made, success draws near. Every day, Huang practices deep breathing exercises for a few hours and sets himself this principle: I will not sit as long as I can stand. I will not lie as long as I can sit. After a period of treatment, his lymphoma quickly disappeared, his condition stabilized, and he gained weight.

While in the hospital, Huang Binghua still thought about his research institute. After hearing that a project was in jeopardy, he looked for materials for three days running. After repeated designing, Huang finally came up with a scientific plan for his colleagues regarding the project. To cure his illness and enable him to recover as soon as possible, the Second Artillery Corps leaders, comrades-in-arms in his research institute, doctors and nurses of the No 304 Hospital, as well as experts and professors of the Beijing-based hospitals have shown great concern and special consideration for Huang Binghua.

**PRC: Official's Murder by Paramilitary Guard  
'Isolated' Incident**

OW0403064496 Hong Kong AFP in English  
0539 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 4 (AFP) — The murder of a senior Chinese official by his People's Armed Police (PAP) guard was an "isolated" incident that should not deflect from the group's contribution to maintaining social order, an official said Monday.

"The unfortunate death of National People's Congress (NPC) Vice Chairman Li Peiyao was an entirely isolated and individual incident. It will not affect the reputation of the military police in China," said Zhou

Jue, spokesman for the parliament's annual session that opens here Tuesday.

Li was murdered on February 2 by one of his PAP bodyguards, who broke into his house to rob him.

Since the murder, the head of the 800,000-strong elite paramilitary force has been replaced, while the PAP commander and political commissar in Beijing have also both been dismissed.

An investigation into disciplinary problems with the PAP is reported to have been launched, while the group is also said to have been relieved of its responsibility for guarding top cadres.

Despite the purge and other repercussions of Li's murder, Zhou played down the significance of the incident in reflecting problems with the force.

"The military police is a force loyal to the motherland and the people and they love the socialist system very much. They have played an important role in maintaining social stability and order in China," he said.

The spokesman separately acknowledged that China's entire law-enforcement apparatus was facing growing challenges in ensuring public order.

"Taken as a whole, the public security situation is good, but we also know there are some serious problems in some places, and people are not satisfied," he said, citing the rise in robberies and theft, worsening violent and gang crime and Chinese criminals growing links with international syndicates.

The NPC standing committee, which met here in recent days, discussed plans to develop a "comprehensive" strategy to ensure public order, including not only law enforcement, but crime prevention, education and improved management and supervision, he said.

His comments followed the publication by the People's Daily last week of a recent order by the Chinese authorities to local officials crack down on the "very grim" public security situation, urging them to focus on both crime and worsening "contradictions among the people."

The two-week NPC session here is to deliberate draft revisions of the 1979 Criminal Procedures Law to face up to the "increased sophistication" of crimes, ensuring the rapid punishment of offenders while protecting the rights of the innocent, Zhou said.

In another reflection of the authorities growing concern about deteriorating public order and the rise in social tensions that has accompanied economic reforms, the NPC standing committee last week passed China's first law on the nationwide imposition of martial law.



**PRC: Armed Police Border Inspection Reform Successful**

*HK0403032796 Beijing JIEFANGJUN BAO in Chinese 26 Jan 96 p 1*

[Report by Gai Jindong (5556 6855 2639): "In-Depth Armed Police Border Inspection Reform Fruitful"]

[PTS Translated Text for FBIS] Beijing, 25 January—This reporter today learned from the Frontier Guard Bureau of the Ministry of Public Security that in 1995, armed police border inspection stations successfully furthered border inspection reform, stepped up regularization of border inspection contingents, improved border inspection contingent quality, and adopted effective measures to safeguard entry and exit orders and expedite border passage, thus contributing to the country's reform, opening up, and economic construction.

In 1995, armed police border inspection stations launched a series of professional reforms in light of border inspection realities and in accordance with the principle of quality, speed, convenience, and safety; constantly improved and renewed border inspection equipment and facilities; conscientiously implemented and carried out relevant regulations promulgated by the State Council; took steps to simplify inspection procedures; and raised work efficiency as well. Whenever the country sponsored a major international event or was on a public holiday, border inspection stations would invariably reinforce frontline border inspection contingents and strengthen border entry and exit management, thus ensuring smooth progress of events and speedy border passage for personnel concerned.

Statistics showed that in 1995, the country's border inspection stations inspected 109 million people leaving the country, hitting an all-time high, and a total of 340,200 vessels, 85,900 planes, and 10.5012 million vehicles leaving the country, up by 13.44 percent, 9.41 percent, and 12.59 percent over 1994 respectively.

**PRC: Crime Officials Reportedly To Wear Bullet-Proof Vests**

*HK0403034896 Hong Kong EASTERN EXPRESS in English 2-3 Mar 96 p 13*

[By Connie Ling]

[PTS Transcribed Text for FBIS] China's public prosecutors and officials in charge of corruption cases will be equipped with bullet-proof vests in the near future.

In a recent seminar held in Beijing on clothing of procuratorial officials, officials from procuratorial departments of various provinces and municipalities suggested bullet-proof vests be added to the uniform of

procuratorial officials, especially those under the Anti-Corruption and Bribery General Office.

Representatives at the conference decided that officials from the anti-corruption office, the law and discipline department and the bailiff unit under the procuratorate will have to be equipped with bullet-proof vests for their own protection in the future.

An official from the equipment department of the Supreme People's Procuratorate said yesterday that it has issued a notice that bulletproof vests would be included in the uniform of procuratorial officials, but did not specify the number or ranks of officials who would be given the vests. "We do not know when exactly this [rule] will come into effect," he said, adding that it was widely discussed in the clothing seminar and won the consensus from representatives at the meeting. He did not say if any officials handling corruption cases have received death threats.

Corruption has emerged to be the one of China's leading problems in its modernisation drive in recent years with more and more government officials being involved in scandals.

According to official statistics, the prosecution in China handled more than 460,000 cases of graft, bribery and embezzlement between 1991 and 1995 and prosecuted more than 6,200 government officials at county division level, 291 at county department level and five at provincial department level during that period.

A record of 33,000 people were arrested on corruption charges between January and November last year.

The anti-corruption office has recently announced it is targeting high-ranking government officials in its investigation for graft and bribery.

**PRC: People's Armed Police Set To Recruit 190,000 in 1996**

*HK0503052496 Hong Kong SOUTH CHINA MORNING POST in English 5 Mar 96 p 8*

[By Willy Wo-Lap Lam]

[PTS Transcribed Text for FBIS] Beijing is gunning for a leap forward in its military and security forces to ensure stability in the post-Deng Xiaoping era.

The para-military People's Armed Police is set to recruit an extra 190,000 people this year in spite of disciplinary problems.

The flexing of muscle is taking place even though Beijing has asked the fourth session of the Eighth National People's Congress (NPC) for 70.23 billion

yuan (HK\$65.31 billion) for army expenditure this year, or 10.29 per cent over 1995.

Increases in the previous two years were 14.56 per cent and 20.30 per cent.

Moreover, the outlay for this year's "state power construction"—an omnibus term that includes all spending on defence, security and administration—is 158.05 billion yuan, a mere 6.85 per cent over last year.

Beijing's anxiety to raise the standards of the People's Liberation Army (PLA) and the PAP was expressed by Mr Li in his government work report to the NPC today.

"We must put emphasis on research into state-of-the-art weapons and equipment," Mr Li said.

The premier goes on to revive Mao Zedong's teaching about "the synthesis of the Army and the people, and of war and peace-time efforts".

He also calls for "strengthening the construction of the PAP".

Army sources in Beijing pointed out yesterday that the bulk of police weapons research was underwritten by funds from either quasi-military or civilian departments.

Mr Li's emphasis on civilian contribution also meant that government and mass organisations would have to give more "donations" to the police.

Local administrations contribute a mere 420 million yuan to the defence outlay.

Beijing does not publicise the budget for the force, but analysts say spending has mushroomed.

At least 60 per cent of the police budget is shouldered by local administrations.

While the official strength of the force is 800,000, Western analysts put it beyond one million.

The sources said recent decisions to step up discipline would only slightly delay the expansion by 190,000 personnel.



**General****PRC: Wu Bangguo Urges Enterprises To Improve Management***OW0203154196 Beijing XINHUA in English  
1513 GMT 2 Mar 96*

[FBIS Transcribed Text] Shijiazhuang, March 2 (XINHUA) — Chinese Vice-Premier Wu Bangguo today urged the country's state-owned enterprises to set up an interior scientific and standard management system to promote their economic growth.

Such a system is a necessity to realize the shift of the economic growth mode, Wu explained.

Wu Bangguo, also member of the Political Bureau of the Central Committee of the Communist Part of China, made the remark at a national conference on enterprise management held today in this capital of north China's Hebei Province.

An operation mechanism should be established to meet the needs of socialist market economics so as to make state-owned enterprises able to face the fierce market competition and improve their economic performance, Wu added.

To cut production cost is also a key to increase economic returns of the enterprises in addition to putting more money into science and technology work so as to technically upgrade them, he noted.

Efforts should also be made to increase the productivity through relying whole-heartedly on the workers, he added.

Measures should be taken to establish a leadership responsibility system and good experience should be summed up and spread in time, Wu added.

**PRC: XINHUA Reviews History of PRC Five-Year Plans***OW0503074696 Beijing XINHUA in English  
0636 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA) — China's Ninth Five-Year Plan for national economic and social development and long-term goals for the year 2010 will be examined and approved at the ongoing Fourth Session of the Eighth National People's Congress.

Five-year plans mainly cover major construction projects throughout the country, the distribution of productive forces, and major proportions of the national economy.

Except for two periods, the 1949-1952 period when China was undergoing a recovery of its national econ-

omy and the 1963-1965 period that was devoted to economic adjustment, eight five-year plans have so far been worked out and carried out since the founding of New China.

Statistics show that the Eighth Five-Year Plan (1991-1995) saw the highest economic growth and the least fluctuations since 1949. It is one of the best implemented of the five-year plans.

During the First Five-Year Plan period (1953-1957), China's national economy grew by an average of 10.91 percent each year, with the highest at 16.5 percent and the lowest at 6.6 percent.

With the completion of the First Five-Year Plan ahead of schedule, a socialist system based on public ownership and distribution according to work was preliminarily established in China.

Affected by the Great Leap Forward campaign in 1958 and the campaign to establish people's communes in the country's rural areas, the Second Five-Year Plan (1958-1962) saw the highest annual economic growth at 32.2 percent and the lowest at -31 percent. The average was 0.65 percent.

Owing to the plan's over-high targets, a natural disaster and the Soviet Union's breaking its contracts, the national economy was seriously dislocated and sank into serious difficulty.

In September of 1960, the Central Committee of the Chinese Communist Party set forth the policy of vigorously reviving agriculture, cutting down on capital construction and the heavy industry, and reducing the number of state employees and urban population.

The policy remained in implementation until 1965.

During the Third Five-Year Plan period (1966-1970), China's economy grew by an average 9.95 percent, with a high of 25.7 percent and a low of 9.6 percent.

The implementation of the plan was greatly disturbed by the Cultural Revolution. However, as the foundation on which the plan was based was relatively sound and much room was left for planned objectives, major goals were basically accomplished or overfulfilled.

The Fourth Five-Year Plan (1971-1975) saw an average annual growth of 7.76 percent, with the highest at 12.2 percent and the lowest at 1.4 percent.

Due to interferences and damages by the two counter-revolutionary cliques led by Lin Biao and Jiang Qing and other factors, the national economy was seriously disproportioned and economic returns kept deteriorating. Though major economic objectives were modified

in 1973, nearly half of them were not achieved by the end of the plan.

During the Fifth Five-Year Plan period (1976-1980), China's economic growth annualized at 7.84 percent, with the highest at 11.7 percent and the lowest at 1.7 percent.

A strategic policy of shifting the focal point of the Party's work to modernization was made in December of 1978 at the Third Plenary Session of the 11th CPC Central Committee. As a result, proportionate relations of the economy began to show improvement at the end of 1980 and great achievements were made in production and construction.

The Sixth Five-Year Plan (1981-1985) saw the national economy growing by an average annual rate of 10.72 percent, the highest at 15.2 percent and the lowest at 5.2 percent.

National economic growth averaged 7.9 percent in the Seventh Five-Year Plan (1986-1990), with the highest at 11.6 percent and the lowest at 3.8 percent.

The country scored an average annual growth rate of 11.8 percent during the Eighth Five-Year Plan period, the highest at 14.3 percent and lowest at 9.3 percent.

The above brief account shows that the gap between the highest and lowest annual growth rates exceeded 35 percentage points in two of the eight five-year plans, and kept at about 10 percent in four. The biggest gap, 63 percentage points, occurred in the Second Five-Year Plan period and the smallest, five percentage points, in the last five-year plan period.

#### **PRC: Listed Companies Urged To Release More Information**

OW0403144896 Beijing ZHONGGUO XINWEN SHE  
in English 0400 GMT 4 Mar 96

[FBIS Transcribed Text] Beijing, March 4 (CNS) — The government is a key player in improving the release of information by listed companies, a China Securities Regulatory Commission official said recently.

Xu Yaping, head of the Commission's Statistics Department said information about listed companies must be released "completely, accurately, fully and without delay". However, the standardisation of information releases by these companies involved a number of factors including the government's activities. The official said that some listed companies had not fully and publicly released material information due to the government's control.

As for these companies, they should co-operate with the media in informing investors about current changes.

The Securities Times is the designated daily newspaper through which listed companies may release information and communicate with the Commission, according to Xu.

On the development environment, Xu said that 1996 was the first year of the current five-year plan (1996-2000); so far a strong development momentum had been seen. Although tight monetary control may not be dramatically lifted, interest rate subsidies on deposit had actually fallen month on month, which may lead to a lowering of interest rates by the authority.

Xu urged listed companies to take advantage of the generally positive situation for their further development. He emphasised that listed companies were not only equipped with a new method of financing when compared with other state owned enterprises, but also the task of setting an example to the latter for future incorporation.

#### **PRC: Government Establishes Measures To Protect Workers**

OW0303004596 Beijing ZHONGGUO XINWEN SHE  
in English 0436 GMT 1 Mar 96

[FBIS Transcribed Text] Beijing, March 1 (CNS) — Nine ministries and commissions, including the Ministry of Labour, have recently set urgent aid measures for enterprises with financial difficulty. They include a guaranteed basic living wage for workers and out placement of surplus labour. The regulations are as follows:

First, for enterprises unable to pay workers on time, a salary account can be opened with the approval of local labour and enterprise administration departments and the banks concerned. These enterprises will be able to entrust the bank with the transfer of money to a salary account that guarantees payment of a minimum wage.

Secondly, for enterprises which have incurred long-term deficits and are incapable of paying their workers, the government will provide subsidies, allocate fund and bank loans to provide workers with a guaranteed living wage.

Thirdly, for enterprises which have unemployment insurance, relief can be provided to workers from an unemployment insurance fund for a limited period. Workers who meet the requirements will be able to get social relief fund according to the regulations.



**PRC: Mexican-Style Financial Crisis Unlikely in China**

OW0303051096 Beijing XINHUA in English  
0304 GMT 3 Mar 96

[FBIS Transcribed Text] Beijing, March 3 (XINHUA) — The financial crisis seen in Mexico last year is unlikely to happen in China since foreign direct investment still accounts for a very large part of China's foreign private investment.

Today's Business Weekly released this conclusion contained in a report, which was an outcome of a joint study by the World Bank and the China Securities Regulatory Commission (CSRC), saying that China only needs to achieve a better balance of its foreign resource inflows between direct and portfolio investment.

It said even in the case of portfolio flow, with foreign investment limited to the B-share market and with H-shares tradable only outside the country, a "withdrawal" from China can only mean a decline in share price among foreign investors.

On account of both the composition and maturity of foreign capital flows, China does not appear to be vulnerable to the potential contagion effect of the Mexico crisis, the report said.

It said that great strides can be made in the design of China's overseas equity issues. At present, foreign investors can invest in B shares listed on domestic exchanges, H shares listed in Hong Kong and N shares in New York.

The report noted that a major difficulty faced by overseas investors in China equities has been the limited liquidity in the thin and segmented markets for overseas.

It suggested that the difficulty might be eased by removing the country's present distinctions between share categories.

Overall, broadening overseas funding options should be the key strategy for Chinese authorities to pursue, said the report.

**PRC: Cities Plan Development Along Chang Jiang**

OW0403143596 Beijing ZHONGGUO XINWEN SHE  
in English 0332 GMT 4 Mar 96

[FBIS Transcribed Text] Shanghai, March 4 (CNS) — For the first time, principal government officials from 24 cities along the reaches of the Chang Jiang River are gathering in the confines of their de facto leader, Shanghai, to discuss long-term economic co-operation and development plans.

The cities include Panzhihua, Yibin, Luzhou, Chongqing, Fuling and Wanxian (Sichuan Province), Yichang, Jingsha, Shishou, Ezhou, Huangshi and Wuhan (Hubei Province); Hunan Province's Yueyang; Jiangxi Province's Jiujiang; Anqing, Tongling, Wuhu and Hefei (Anhui Province); Maanshan, Nanjing, Yangzhou, Zhenjiang and Nantong (Jiangsu Province) as well as Shanghai, the host city plus the two co-opted cities of Ningbo and Zhoushan in Zhejiang Province.

Topics for discussion fall under two categories. The respective mayors will debate the mode of future co-operation and development with reference to the main theme "The Chang Jiang River in the 21st Century", while other officials and specialists will form panels to discuss four broad topics respecting shipping, telecommunications, finance and trading.

At the opening ceremony, Shanghai Mayor, Xu Kuangdi said: "In the 21st century, Shanghai will play a more important role than at anytime in its history in promoting economic co-operation among its sister cities along the Chang Jiang with a view to hastening the emergence of the Chang Jiang economic belt."

**PRC: Daimler-Benz Seeks Larger Role in Aerospace Industry**

OW0303021996 Beijing XINHUA in English  
1043 GMT 1 Mar 96

[FBIS Transcribed Text] Beijing, March 1 (XINHUA) — The German-based Daimler-Benz AG wants to expand its involvement in China's aerospace industry, Norbert Graeber, with the Beijing representative office of the giant European company, said in Beijing today.

The company's total turnover in China reached one billion Deutsche marks last year, accounting for one percent of its worldwide total.

Daimler-Benz Aerospace, one of the major four branches of the company, started businesses in China years ago, with involvement in the launching of a communications satellite, and the "Dongfanghong Three" satellite.

"We are confident with our Chinese partners, because we are quite familiar with the launching technology, and we also have close friends here", said Graeber.

The company hopes for further involvement in the aerospace industry, just as it has increased its involvement in the automobile industry, Graeber said. The sale of Mercedes-Benz' vehicles in China had exceeded 50,000 by last year.

In order to realize its sales goal by the year 2000, estimated at 1.155 million, the giant automobile producer

hopes to maintain a stable growth of their market shares in China.

Mercedes-Benz had established about 30 sales offices in the country's major cities by last year, and two joint ventures in car and trucks production in Yangzhou and Baotou cities.

The Daimler-Benz Industrie (AEG) is in a process of transformation.

The Daimler-Benz Interservice (debis) established six years ago will also enter China's market soon, Graeber said.

**PRC: Five New Insurance Companies Prepare To Open**

*OW0303023096 Beijing XINHUA in English*  
*0656 GMT 1 Mar 96*

[FBIS Transcribed Text] Beijing, March 1 (XINHUA) — China has given the green light to preparations for the establishment of five new insurance companies.

The five insurance companies will be Taikang Life Insurance, XINHUA Life Insurance, Huatai Assurance, Yongan Assurance, and Huaan Assurance, said officials of the People's Bank of China.

Huatai, Yongan and Huaan will be property underwriters, said the officials.

The two life insurance companies will be based in Beijing and operate across the country. Taikang has been formed by the China International Travel Service, the China National Foreign Trade Transportation Corporation and other institutions.

With headquarters in Beijing, Huatai will provide property coverage around China, and will be launched by China United Telecommunications Corporation and other sponsors.

Yongan and Huaan will be regional insurers with Xian, capital of northwest China's Shaanxi Province, hosting Yongan, and Shenzhen, a special economic zone in south China's Guangdong Province, becoming the home of Huaan.

The central bank has yet to approve legal representatives, share-holders and business scales for the new insurance companies, and during a six-month preparation period, they will not be allowed to become involved in insurance business, said the officials.

China has only three insurance companies operating across the country and less than 30 regional insurance companies.

Experts have pointed out that China needs many more insurance companies to serve the thriving market-oriented economy.

Several months ago China expressed an intention to establish ten new insurance companies.

**Foreign Trade & Investment**

**PRC: New Regulation Protects Foreign-Funded Enterprises**

*OW0503034596 Beijing XINHUA in English*  
*0320 GMT 5 Mar 96*

[FBIS Transcribed Text] Shenyang, March 5 (XINHUA) — All overseas-funded enterprises in northeast China's Liaoning Province have, from now on, been authorized to reject any fee or work apportioned to them by any department for any sort of concocted pretext.

A recently enacted regulation, promulgated by the provincial people's congress, also endows Liaoning's foreign-funded enterprises with the special right to turn away any unwelcome visitor and keep their profits secret from the public.

Of the 45 articles in the regulation, 13 are related to the protection of foreign-funded enterprises' rights and interests.

In addition, the regulation states that overseas-funded enterprises may sue any department or individual if their legitimate rights are infringed upon.

**PRC: Inner Mongolia Developing Into Major Trade Center**

*OW0503020796 Beijing XINHUA in English*  
*0126 GMT 5 Mar 96*

[FBIS Transcribed Text] Hohhot, March 5 (XINHUA) — The Inner Mongolia Autonomous Region, a pastoral area on the Sino-Mongolian border, is developing into a principal trade center in north China.

The region has established trade and economic relations with 82 countries and regions. Its foreign trade amounted to 4.9 billion US dollars in the 1991-1995 period.

The past five years have seen 18 ports of entry opened, which have handled 18.3 million tons of cross-border cargo and 4.27 million people coming and going.

To expand the channels for imports and exports, the region has granted 73 export-oriented plants the right to conduct direct imports and exports.

The variety of exported commodities has expanded from 439 in 1990 to 680. The trade value of 16 leading



products, including cashmere and steel, exceeds 10 million US dollars each.

Meanwhile, the region has signed with overseas investors 1,132 contracts involving 1.5 billion US dollars in the past five years. Foreign-funded enterprises in the region exported 68.64 million US dollars-worth of products in 1995.

**PRC: Foreign Investment in Jiangsu Development Zones Noted**

OW0403061796 Beijing XINHUA in English  
0600 GMT 4 Mar 96

[FBIS Transcribed Text] Nanjing, March 4 (XINHUA) — Various development zones in east China's Jiangsu Province have proven to be favorable spots for overseas investment in the past three years.

Jiangsu is home to 11 state-class development zones and 60 provincial zones. Infrastructure facilities in the zones are basically complete.

In Suzhou Industrial Park, a Sino-Singapore joint venture, roadways, telecommunications and other projects in a three-sq-km area have become operational.

By the end of 1995, the development zones had 3,665 foreign-funded projects involving a total of 16.4 billion U.S. Dollars, said Zhou Zhongtong, director of the provincial opening-up office.

The Kunshan Economic and Technological Development Zone, the second largest in Jiangsu, approved 84 foreign-funded projects last year, each using 11 million U.S. Dollars.

Over 6,000 factories in the development zones have started operation, with 76.2 billion yuan in sales last year. Exports from the zones amounted to 1.77 billion US dollars in 1995, accounting for 15.4 percent of the province's total.

**PRC: Shanghai's Foreign Firms Pay 10 Billion Yuan in Taxes**

OW0303160296 Beijing XINHUA in English  
1516 GMT 3 Mar 96

[FBIS Transcribed Text] Shanghai, March 3 (XINHUA) — China's largest city earned more than ten billion yuan in taxes from foreign-funded firms last year, up almost half over the previous year.

Taxes from the firms accounted for 15 percent of total industrial and commercial taxes raised in Shanghai last year, an income level nearly 15 times that of 1990, according to the city's taxation bureau.

An official with the bureau attributed the dramatic increase of taxes on foreign companies to their relatively good economic performance.

Ninety percent of foreign-funded enterprises are profitable. The city has attracted more than ten billion US dollars of foreign capital for each of the past two years.

**PRC: Shanghai Foreign-Funded Enterprises Profitable**

OW0403024896 Beijing XINHUA in English  
0234 GMT 4 Mar 96

[FBIS Transcribed Text] Shanghai, March 4 (XINHUA) — Enterprises with overseas investment in China's largest economic center have been showing good profits.

According to statistics, sales last year amounted to 139.53 billion yuan, an increase of 62.4 percent over the previous year.

By the end of last year, 8,652 overseas-funded enterprises had gone into production, 4,800 of them industrial enterprises.

Profits amounted to 10.1 billion yuan last year, up 18.4 percent, and the taxes paid to the state were 7.02 billion yuan, up 45.9 percent.

Shanghai had approved 13,586 overseas-funded projects involving a total overseas investment of 34.2 billion US dollars by the end of 1995.

**PRC: Sichuan Leading Western Province for Overseas Investment**

OW0503020696 Beijing XINHUA in English  
0145 GMT 5 Mar 96

[FBIS Transcribed Text] Chengdu, March 5 (XINHUA) — Sichuan has become the leading western Chinese region for overseas investments.

Official information show that during the period from 1991 to 1995, overseas businesses invested 4.71 billion US dollars on 5,562 joint ventures in the province.

The figure represents an increase of more than 2.6 times compared with the previous five years.

In 1995 alone, the province used 1.7 billion US dollars in overseas capital, 51 percent up from the year before.

Provincial officials attributed the success to their arduous efforts in improving the local investment environment. The province now has over 50 economic and technological development zones, and has spent tens of billions of yuan on traffic schemes, telecommunications, energy and other infrastructure facilities.

It has also simplified the procedures for approving overseas-funded enterprises, and lifted restrictions on foreign investors.

Thanks to improvements in the investment environment, Sichuan's overseas-funded enterprises have enjoyed good economic results. Government statistics show that the 2,200 overseas-funded businesses that went into operation in the past five years now have an annual sales volume of 10 billion yuan and an annual export of more than 100 million US dollars. They have become an important part in the Sichuan economy.

### Agriculture

#### PRC: Beijing Plans To Cover Barren Hills With Forests

OW0103141996 Beijing XINHUA in English  
1004 GMT 1 Mar 96

[FBIS Transcribed Text] Beijing, March 1 (XINHUA) — Almost a sixth of China will be covered with a blanket of forests by the end of the century. Vice-Premier Jiang Chunyun announced in Beijing today.

The Vice-Premier, who is also director of the State Greening Committee, said the country had set a target for forest areas extending to 15.5 percent of the country by the year 2000.

It will mean all the mountains and hills in 21 provinces being covered with trees, said Jiang Chunyun.

He said that since the Movement of Voluntary Trees Planting was launched in 1981, forest coverage rate has risen to 13.9 percent, and almost all the barren hills and mountains in 12 provinces have been turned green.

Jiang called on the whole of society to take part in the country's forestation at the Fifteenth Plenary Meeting of the State Greening Committee today.

He said that government organizations as well as individuals should all make their contributions.

He pointed out that the country's ecological environment is still badly in need of improvement and protection. The area of soil erosion has amounted to 38 percent, and the expanse of desert in China has reached 1,550,000 square kilometers.

China will be capable of producing an extra grain output of 9.1 billion kilograms during the next five years through planting trees under a program of the Ministry of Forestry.

Statistics show that in the past five years over 12 billion trees have been planted voluntarily throughout the country, raising the afforested area to 29 million hectares.

#### PRC: Sichuan Secretary on Rewarding Peasants With Fertilizer

OW0403112696 Beijing XINHUA Domestic Service  
in Chinese 0831 GMT 1 Mar 96

[By reporter Jiang Zuoping (5592 0155 1627)]

[FBIS Translated Excerpt] Chengdu, 1 Mar (XINHUA) — At a provincial meeting of agriculture bureau directors yesterday afternoon, Xie Shijie, secretary of the Sichuan provincial party committee, announced: To protect and harness farmers' production enthusiasm and to win their trust, the province will reinstitute the policy of rewarding fertilizer purchase to farmers who have sold grain and cotton to the state, beginning from this year. [passage omitted]

To reinstitute the policy, the provincial government recently issued a notice, emphasizing: Urea covered under the state plan, except for the 10 percent retained by plants for self-marketing and for the state procurement, will be controlled by the provincial government under unified arrangements; and it should be sold as a reward for grain and cotton sales or be used for special projects of fertilizers for disaster relief, for ratooning rice, or for low- and middle-yield farmland. Urea not covered under the state plan should be acquired by capital goods companies and be allocated to various localities under unified arrangements as fertilizers for agriculture production.

Under the provincial government regulations, for every 50 kg of grain sold to the state, farmers will be rewarded with the purchase of 5 kg urea; for farmers who fulfill 60 percent of the state grain procurement before June this year, their order for fertilizers will be delivered in full at the end of the year to ensure fertilizer supply during the peak season. For every 50 kg of ginned cotton sold to the state, farmers will be rewarded with the purchase of 25 kg urea, of which 70 percent will be arranged before the end of May to ensure fertilizer supply during the peak season of cotton production, so as to promote bumper cotton harvests. [passage omitted]



**PRC: XINHUA Reports China Missile Exercise Announcement***OW0503044396 Hong Kong AFP in English  
0434 GMT 5 Mar 96*

[FBIS Transcribed Text] Beijing, March 5 (AFP) — China said Tuesday [5 March] it will this week start missile exercises that will be the closest to Taiwan in a series intended to warn the nationalist population ahead of presidential elections.

One of the two splash zones for the missiles just 25 kilometers (15 miles) from Taiwan's northeast coast and only 75 kilometers (45 miles) from Taipei.

Two previous exercises last year severely rattled the Taipei bourse and the nationalist leadership has said the new war games are a clear attempt to intimidate Taiwan during the campaign leading to the March 23 election.

The Taiwan army has been on a special alert for several weeks.

According to Taiwan, around 150,000 troops are massing in Fujian province, facing Taiwan, for military drills.

The official XINHUA NEWS AGENCY said Tuesday the missile exercises would be held from March 8 to March 15 to the southwest and northeast of Taiwan.

It warned ships and aircraft "for the sake of safety" not to enter the area during the exercises.

The People's Liberation Army exercises will be held in two areas of the East and South China Seas, XINHUA said.

The zone outlined to the northeast of Taiwan is 25km from the Taiwan coast and just on the territorial limit between China and Taiwan, which Beijing considers a renegade province.

The second zone, to the southwest, is around 90km (55 miles) from Taiwan's main port at Kaohsiung.

A western diplomat in Beijing warned of the risk the communist government was taking in the latest stage of its psychological war with the nationalists.

"This time China, has chosen to give a symbolic side to these manoeuvres by coming as close as possible to the Taiwanese coast, and especially Taipei," he said.

"But there is a serious risk of an error because at this distance from the coast, you have to be sure of your technology.

"If there is the slightest technical problem, that could be the spark," the diplomat commented.

A visit to the United States last June by Taiwan's President Lee Teng-hui [Li Teng-hui] infuriated Beijing,

which saw it as a move to promote the island's independence.

The People's Liberation Army (PLA) carried out a first round of missile exercises from July 21 and 26, firing weapons 150km (90 miles) north of Taiwan. Beijing said the tests were a success but Taiwanese and US experts said they failed.

A second round of missile exercises were staged from August 15 to August 25, northwest of Taiwan and near China's Zhejiang and Fujian provinces.

In November, just ahead of Taiwan's legislative elections, the PLA staged huge land drills including a mock sea invasion.

China has stepped up warnings in recent months that it would invade if Taiwan made a formal split with the mainland. U.S. military leaders have expressed doubt at Beijing's capability to launch such a conflict however.

But analysts say the latest invasion is also aimed at trying to prevent Lee Teng-hui being re-elected in Taiwan's first fully democratic election.

**PRC: Fujian Prepares for Direct Cross-Strait Flights***OW0303002696 Beijing ZHONGGUO XINWEN SHE  
in English 0321 GMT 1 Mar 96*

[FBIS Transcribed Text] Fuzhou, March 1 (CNS) — To prepare direct flights to Taiwan, the Fujian Provincial Government is busy implementing airport and infrastructural development projects, organising immigration and security control departments and other affiliated functions.

The short distance from Taiwan across the Straits on top of the natural affinity, homogeneous nationality, traditions and language makes Fujian the most suitable mainland province for direct flights with Taiwan.

As local government statistics indicated unofficial activities at civilian level between Taiwan and the mainland have been frequent during the past five years; 1.28 million Taiwanese travellers, or close to quadruple the number in the previous fiveyear period, had visited to Fujian.

To prepare for the inception of flights, the Provincial Government has implemented a series of measures in recent years including:

(1) Proper maintenance and control of two-way ports used as a direct contact with Taiwan in the fields of trade, labour and fishing;

(2) Infrastructural development to support major two-way seaports like Xiamen, Quanzhou, Fuzhou and

Dongshan as well as two-way airports in Xiamen, Fuzhou and Wuyishan;

(3) Immigration procedures and visa arrangements for Taiwanese travelling to the mainland.

According to a provincial government official, the immigration control department has responded to Chinese President Jiang Zemin's Taiwan policy published last year by working out a "direct flight" proposal with par-

ticular reference to airport control, security and supervision of the airlines concerned.

It has also convened several meetings to discuss future arrangements. In spite of the fact that direct flights are still a thing of the future, Fujian is prospering. In January 1996 alone, foreign trade volumes jumped 16 percent to 1.02 million tonnes while foreign travellers by sea and air totalled 64,000.



**Taiwan: Justice Minister Protests U.S. Drug Center Charge***OW0503023496 Taipei CNA in English  
0216 GMT 5 Mar 96*

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, March 4 (CNA) — Justice Minister Ma Ying-jeou protested to the United States on Monday [4 March] for listing Taiwan as a drug transshipment center in its annual report.

In the letter, which was sent to the U.S. State Department, Ma said he regretted that Washington had ignored Taiwan's cooperation with the United States in combating drug trafficking, and added that the UN Narcotics Drug Commission, in a report released earlier in the year, took Taiwan off its list of drug transshipment centers.

Ma's letter was forwarded to the State Department via the American Institute in Taiwan [AIT] — the U.S. representative office in Taipei.

The AIT refused to comment on Ma's protest, saying only that it hopes that anti-drug cooperation efforts between Taipei and Washington would continue.

**Taiwan: U.S. Arms Sales, Peaceful Reunification Linked***HK0503072696 Hong Kong HONGKONG  
STANDARD in English 5 Mar 96 p 7*

[By Apple Wan]

[PTS Transcribed Text for FBIS] China would be "certain" to cut its three million-strong army and pursue peaceful reunification with Taiwan if the United States halted military sales to the island, a mainland official says.

"If the U.S. stops its military sales to Taiwan, then it is certain that by 2010 the size of (the) Chinese military will be much smaller than the current level," the deputy director of the foreign policy studies centre at the state-run China Institute of Contemporary International Relations, Yan Xuetong, said.

"To a certain extent, whether the Chinese government sticks to its peaceful reunification process strategy, depends on the U.S. government's policy concerning military sales to Taiwan."

U.S. sales of sophisticated arms to Taiwan — rather than China's rapid economic growth — would determine the pace of China's military build-up, Mr Yan said.

Based on projections of present trends, U.S. arms sales to Taiwan would give the island in 2010 the level of military technology the U.S. had in the late 1980s, at

least a decade more advanced than China's arsenal, he said.

If this was the case the separatists in Taiwan might be prompted to declare independence and drive the mainland to use force, he added.

"Drawing strength from the continued purchase of...military equipment from the U.S., the separatists on the island might pull further away.

"If the U.S. stops its sales, the peaceful reunification process will be accelerated," he said.

**Taiwan: Taipei Accuses China of Jeopardizing Regional Peace***OW0503052096 Hong Kong AFP in English  
0507 GMT 5 Mar 96*

[FBIS Transcribed Text] Taipei, March 5 (AFP) — Taiwan on Tuesday [5 March] accused China of harassing the island and jeopardizing peace in the region by staging a third round of missile drill in eight months.

"The latest drill is intended to harass our two international sea ports in the north and south and the (Taipei) metropolitan area," military spokesman Major General Kung Fan-ting said.

China announced Tuesday that it would conduct a week of ground-to-ground missile exercises of Taiwan from Friday.

Ships and aircraft were warned not to enter the area between March 8 and March 15.

Kung said one splash zone was located 20 nautical miles to 40 nautical miles off northeast Taiwan, close to the port of Keelung, and the other was 30 to 50 nautical miles off Kaohsiung on the southwest coast. Both zones cover some 500 square nautical miles.

"The move seriously violates the world trend of replacing confrontation with peace and jeopardizes peace in the region," said Foreign Ministry Spokesman Rock Leng.

The latest missile drill will be closer to the Taiwan coast than two carried out by China last July and August.

**Taiwan: Li Teng-hui Says PRC Military Exercise Only 'Acting'***OW0503014096 Taipei CNA in English  
0116 GMT 5 Mar 96*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, March 4 (CNA) — President Li Teng-hui on Monday [4 March] claimed

himself [as received] to be the "genuine defender" of the Republic of China [ROC], and said strength is required to achieve national unification.

Li made the remarks during a campaign stop at Shiulang Elementary School in Yungho city. Li is the Kuomintang candidate, along with Premier Lien Chan as his running mate, in the March 23 presidential election.

Speaking of cross-strait relations, Li said it is necessary for the ROC to go out and prove its existence to the world. "If we don't fight for ourselves, who else will do that for us?" He asked.

Li, citing his visit to the United States as example, said the ROC must not give in to Beijing's threats, otherwise, "we will be trapped in Taiwan and that will only lead us to a dead alley."

Li also called on the public not to panic over Beijing's military exercises, saying the Communist Chinese are only "acting."

Li said the top priority for the 21 million people of Taiwan is to stand united, which will provide the nation with the strength it needs to achieve eventual unification with the mainland. Simply saying prayers every day will not help resolve the matter, he added.

Saying that times have changed, Li called on Beijing to renounce its ideological struggle against Taipei and for the two sides to cooperate in maintaining peace in the Taiwan Strait.

#### **Taiwan: Ministry Defends Li's Nomination for Nobel Prize**

OW0503023596 Taipei CNA in English  
0149 GMT 5 Mar 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 4 (CNA) — The Ministry of Foreign Affairs on Monday [4 March] rebuffed charges that money may have been involved in ROC [Republic of China] President Li Teng-hui's nomination for the 1996 Nobel Peace Prize.

"The slander is not only an insult to the one who recommended Li to the Nobel committee but has offset the government's achievements in foreign affairs," a furious Foreign Ministry spokesman Rock Leng said.

Leng said he very much regretted the rumors, particularly at a time when the country is experiencing difficulties and is badly in need of friendship from the international community. "Who else would like to continue to display support for the ROC?" Leng asked.

Former Swedish Deputy Prime Minister Per Ahlmark wrote a letter to the Norwegian Nobel Committee on

Feb. 13, recommending Li for the award for the crucial role he has played during the ROC's transition from one-party rule to democratic rule.

The report of the nomination, coming as Taiwan gears up for its first direct presidential election, on March 23, had some commentators speculating it was part of a plan to boost Li's popularity, or that Ahlmark may have been bribed into recommending Li.

Leng said it was understandable that such rumors are circulating, given the electioneering atmosphere, but added that his ministry felt impelled to clear the name of Ahlmark, whom he called a "good foreign friend."

Li is running in the coming election as the candidate of the ruling Kuomintang.

#### **Taiwan: 'One China' Principle, Cross-Strait Talks Urged**

OW0503034796 Taipei CNA in English  
0209 GMT 5 Mar 96

[By Lillian Wu]

[FBIS Transcribed Text] Taipei, March 4 (CNA) — Scholars on Monday [4 March] urged both sides of the Taiwan Strait to stick to the "one China" principle and resume talks soon.

They said Taipei and Beijing should sign an agreement to end their hostilities so that people from either side can move freely for visits and so direct trade, postal and transport links can be realized.

They also urged Beijing authorities to try to learn more about Taiwan society and respect the way of life of its people.

The scholars made the remarks at a seminar on the current state of cross-strait affairs, which was co-sponsored by the Alliance for the Unification of China and CROSS-TAIWAN STRAIT REVIEW MAGAZINE.

Tsai Wei, a research fellow with National Chengchi University's Institute of International Relations, said that he was not too optimistic about the prospects for cross-strait relations, saying he believes both sides should reanalyze measures they have or have not already taken.

Tsai said that while Taiwan can by no means have its policies dictated to it by Beijing, the island must still consider whether its pragmatic international diplomatic efforts are heightening cross-strait tensions.

He said that he is not opposed to the government's pragmatic diplomacy, but that it needs to set its own priorities — pointing out that Taiwan's persistent efforts

to gain a seat in the United Nations have only strained cross-strait ties.

He said that Taiwan's joining the UN would not be the best, only, or inevitable option of the nation, adding that the drive has also nurtured mistrust between Taipei and Beijing and consumed valuable resources of the country.

He suggested that the government would do better to target joining other international trade organizations, such as the World Bank and peripheral organizations of the UN.

If cross-strait relations are to be carried out on reciprocal basis, he said, Taiwan should give a clear and unequivocal statement after the March 23 presidential election or at the inauguration ceremony of the new president on May 20 by declaring that the Republic of China (ROC) will actively participate in the development of China and that it has a responsibility for the future of China.

It is necessary for Beijing to see that Taiwan has its own expectations and is committed to the building of China in spite of its efforts for pragmatic diplomacy and its opposition to the Beijing regime, he said.

Tsai stressed that Taiwan has to commit itself to the rights and responsibilities of Chinese people, and not to the Beijing regime.

Heng Chun-fun deputy leader of a delegation of scholars based in the United States, said that despite the saber-rattling of Beijing, cross-strait relations can get back

on the right track, as long as no "foreign intervention" occurs.

He said that only with intervention of a foreign power such as the United States or Japan would Mainland China take military action against Taiwan.

He stressed that overseas Chinese would hate to see Chinese fighting their own, and that they had returned to Taiwan to express their concern and made an appeal for restraint between the two sides.

Cheng said Asia has seen two recent wars — in Korea and Vietnam — and that it cannot risk a third.

He stressed that overseas Chinese basically are opposed to Taiwan's declaring independence and would like to see a united and strong China.

Oung Chih-yuan, member of the U.S. delegation, said that Beijing was enraged after President Li Teng-hui's trip to the U.S. for a reunion at his alma mater, Cornell University last June, believing that the U.S. had interfered with the internal affairs of China.

He said Mainland China would not allow a similar incident to occur, and added that Beijing's recent military intimidation of Taiwan was targeted at the U.S. rather than at Taiwan.

To put cross-strait relations back on track Oung suggested that Taiwan needs to show that it acts on its own and is not reliant on the U.S..



## Hong Kong

### Hong Kong: Patten Wants Legislature Preserved Post-Reversion

OW0503063896 Hong Kong AFP in English  
0607 GMT 5 Mar 96

[FBIS Transcribed Text] Hong Kong, March 5 (AFP) — Hong Kong Governor Chris Patten on Tuesday [5 March] called on China to reverse its decision to scrap the territory's legislature when it resumes sovereignty next year.

Patten's call came a day after British Prime Minister John Major announced a confidence-boosting package for Hong Kong, including visa-free entry to Britain for Hong Kong residents after the July 1, 1997 handover date.

Meanwhile in Beijing, Chinese Premier Li Peng promised greater cooperation with Britain over Hong Kong.

Patten, speaking to reporters after a meeting of his Executive Council, said: "I think that there are a number of things that the Chinese have to do in order to make their contribution to greater confidence in the community."

Patten, Hong Kong's final British governor here, said China should quickly make a decision on who will be eligible to right of abode in Hong Kong after the handover.

"The most effective way in which Chinese officials could meet what they say is their aim of boosting confidence in Hong Kong would be by making it absolutely clear that they stand by the promises that have been made to Hong Kong on both human rights and their safeguarding, and as well on the development of representative institutions and the development of democracy in Hong Kong," Patten said.

Beijing has vowed to scrap Hong Kong's Legislative Council next year, angered at electoral reforms introduced by Patten without Chinese consent.

Patten added that other areas of concern were Beijing's intention of "gutting" Hong Kong's bill of rights, which underpins its legal system, and its avowed intention not to report to the United Nations on human rights issues here.

On Monday, Major warned that Britain would "mobilise international opinion" should China fail to live up to agreements made with Britain on Hong Kong's future.

In Beijing, Li said that China is making "good preparations" for resuming its exercise of sovereignty over

Hong Kong and the neighbouring Portuguese enclave of Macao.

Talking on the opening day of the National People's Congress (NPC), Li said that the Preparatory Committee set up to oversee the change of sovereignty "will heed the opinions of people from all walks of life in Hong Kong and successfully accomplish its glorious and sacred historic mission of effecting a smooth transfer of government in Hong Kong."

The Chinese government will, as always, implement the principle of "one country, two systems" which will govern Hong Kong and Macao, he added, according to a report by the official Chinese news agency XINHUA.

"We are ready to strengthen our cooperation with the British and Portuguese governments ... So as to achieve a smooth transfer of government and maintain long-term prosperity and stability in Hong Kong and Macao," Li said.

After China resumes the exercise of sovereignty over Hong Kong in 1997, and Macao two years later, the current social and economic systems there will remain unchanged, he said.

The two territories will enjoy a high degree of autonomy, and will retain their status as free ports, Li added.

### Hong Kong: Legislators on UK Pledge To Press PRC on Accords

HK0503052096 Hong Kong SOUTH CHINA  
MORNING POST in English 4 Mar 96 p 2

[By SOUTH CHINA MORNING POST Political Desk]

[PTS Transcribed Text for FBIS] Legislators pinned little hope yesterday on Britain's commitment to press China to comply with the Joint Declaration and the Basic Law.

After a private meeting with Prime Minister John Major, Democratic Party leader Martin Lee Chu-ming said: "The most important and worrying thing remains.

"That is China's threat to demolish the democratically elected Legislative Council and replace it with an appointed provisional Legislative Council and remove key sections of the Bill of Rights."

Mr Lee said he was unhappy to hear that the British Government preferred to raise this matter with China diplomatically: "That is behind closed doors. I would like to remind him that time is running out.

"The British Government is unable to get China to do anything even after the Bangkok European and Asian heads of state summit." Mr Lee said Democrats would

have been happier if Mr Major made clear to China what Britain would do if Beijing breached the Joint Declaration and Basic Law.

Independent legislator Emily Lau Wai-hing said it was obvious that there was not much Mr Major could now offer to do on the subject.

"It is a matter of China proposing the provisional legislature. The British Government can comment or do something through diplomatic channels.

"But what diplomatic measure can it exercise? Bargaining will be involved, and a price has to be paid in the process. Will Britain be willing to pay for Hong Kong?" she asked.

Another independent, Dr Leong Che-hung, expressed disappointment about the lack of a clear plan to prevent China from disbanding the Legislative Council and diluting the Bill of Rights.

Dr Leong said the Prime Minister did not specify any ways to do so or outline a timetable.

"We told him that time is running out. The provisional legislature may well be established by some time in the third quarter of this year," he said.

Tam Yiu-chung of the Democratic Alliance for the Betterment of Hong Kong said it was only a "gesture" of the British Government to promise anything.

"It should know that it can't do anything," he said.

#### **Hong Kong: British PM's 4 Mar News Conference Reported**

*OW0403141396 Hong Kong RTHK Radio 3  
in English 0939 GMT 4 Mar 96*

[News conference held by British Prime Minister John Major and moderated by Hong Kong Governor Chris Patten to foreign and domestic reporters at Government House; live]

[FBIS Transcribed Text] [Patten] The Prime Minister will make a few remarks and then questions. If you could, as ever, declare your identity and which great organ you represent it would be helpful. And time is a bit limited, because some of you, including the Prime Minister, have somewhere else to go this evening — that is Korea. Prime Minister.]

[Major] Well, Chris, thank you very much. I don't propose to say a great deal at the outset of this press conference. I've had opportunities elsewhere on this visit to say what I had to say, most noticeably at lunchtime. And I dare say most of you have had the opportunity of seeing that before deciding what questions to ask this afternoon.

Let me just simply say how much I've enjoyed this particular visit to Hong Kong. It's over four years since last I was here. The speed of change here never ceases to amaze me. But I am delighted to have been here again and on this occasion have enjoyed the visit as much as I always do.

We've had a very lively debate on one or two issues over the last couple of days. I've enjoyed my meetings with Exco [Executive Council] and Legco [Legislative Council] this morning. And I just want to say one or two general things about the present circumstance and the future. The first thing I'd like to say is just to add to a point that I know the governor has made on many occasions on the past. And that is just to express my admiration for the way in which the civil service has coped with matters here in Hong Kong over the last few years. I think Hong Kongers are extremely lucky in the quality of their civil service, in the apolitical nature of their civil service, and I think that that is something that is well understood here and well appreciated also in London. Let me say a word or two about the natural fears that I think many people may have about the transition. There are some very important issues that I know are of concern to people still in Hong Kong. The question of the future of Legco, whether the through train arrives at its destination or whether there's a stop in 1997. The question of the Bill of Rights, both of those I touched on earlier, and on earlier occasions. But they may well come up again this afternoon.

When people worry, perhaps, about those problems, I wonder if I might just remind everybody of the problems in the past that seemed insoluble and yet now are behind us. They've been solved. The Court of Final Appeals, airport contracts, a range of other things in the past that were a matter of huge concern at the time, but where satisfactory solutions were, in the end, actually found. We are going to have to be both persistent and persuasive in our negotiations with China on the problems that remain. We will be so in private, and we will express — wherever it seems to be of advantage to Hong Kong for us to do so — we will express our views on those matters in public as well. What I do want to reiterate as an assurance to Hong Kong is that Britain's commitment to Hong Kong and its future is not something that is dribbling away with the 450 or so days that remain. There is a commitment that is very deep, very longstanding; and, although the legal position may change in June 1997, the practical commitment will not change, the moral imperative will not change, and Britain's interest in Hong Kong, affection for Hong Kong, and trade and commercial relationships with Hong Kong will continue in the future as they have done in the past.

On the occasions I have been able to speak publicly on this trip, I've tried to set out — most obviously in the speech at lunchtime today — some reassurance on five points. I'll just remind you of them without going through them in any length, I think, again. Firstly, our long-term commitment to Hong Kong, both moral and economic. Secondly, our pledge to pursue every avenue that is open to us, if there is to be a breach of the Joint Declaration, including using Britain's influence with the international community to ensure that the agreements that were signed are the agreements that are met. And, thirdly, the announcement that I made earlier today about visa-free access. Fourthly, the extra guarantee to the ethnic minorities, the relatively small number of people of Indian and Pakistani ethnic extraction who fear particular difficulties after 1997. And, fifthly, the commitment I was able to make today to effectively ensure British citizenship for war widows and wives. Those were the five principle points I've made during this trip.

The next 400-500 days are self-evidently going to be a testing time for Hong Kong. Hong Kong has shown its courage and its persistence on many occasions in the past. It will need to do so again over the next 500 days or so. I have no doubt that it will do so. And neither do I have any doubt, if he will permit me to say so, that, in the governor, Hong Kong couldn't have a better representative of Hong Kong's views, both with London and with China, and with other countries. So I think you will remain in very good hands, and the governor will continue to have the direct and immediate access to London that he has always enjoyed.

I think that those are the only preliminary points I wish to make. Let us now see if we can field some of your questions. I will let the governor — by far the highest quality, if my present press officer will forgive me, by far the highest quality press officer I've ever had — to select the questions, because he will know them rather better than I do with the exception of a small, present minority.

[Yeung] Chris Yeung, SOUTH CHINA MORNING POST. Prime Minister, you just spoke firmly and clearly the British commitment to Hong Kong. But can you also be equally firm and clear that the ...[pauses] in the UK Government will the Chinese plan to set up a provisional legislature and dilute the Bill of Rights is a breach of the Joint Declaration?

[Major] Well, I touched upon those points earlier, and I have reiterated them again today. I don't have any doubt at all in my mind that it would be a very grave mistake were Legco not to proceed right to the end of their natural, elected life. I don't think we could or would

understand if Legco's life were cut in half in 1997. And neither do I believe that the world at large would understand that. There is now an elective democracy in Hong Kong. The present Legco were elected with a very substantial popular vote. They were elected to do a particular job; and, I believe, they should be permitted to see that job through to its conclusion. Those points have long been put privately to the Chinese leaders. I have made the points entirely publicly. We will do all we can to persuade China that that is the right way to proceed, both in China's interest — for the world would not understand anything else were it to happen in 1997 — and also in the interests of people in Hong Kong.

There are, of course, alive [as heard] matters on human rights and the Bill of Rights, and I won't reiterate what I've said at lunchtime. I think it's probably quite clear.

[Blythe] Sally Blythe, EASTERN EXPRESS. Mr. Major, the guarantees which you gave today to the ethnic minorities, do they actually differ from earlier guarantees that were given by Sir Geoffrey Howe during Parliamentary debates about 10 years ago, I think, when he said that the British Government would look favorably upon any application by any of the ethnic minorities here so that they could enter Britain, and the British Government look favorably upon that. How does the guarantee today differ from that?

[Major] The guarantee today is more specific and a good deal harder. What was said in the past, that we would look favorably upon those applications; that doesn't necessarily mean that in given circumstances, that that would be granted in any sense. What I'm saying today is that where those people have a well founded fear that it is necessary for them to leave Hong Kong, we won't just look favorably upon their application. What I have offered them in those circumstances is a cast iron guarantee that they will be able to come to the United Kingdom. So it is a good deal firmer than anything we have seen in the past. I'm not in the position to go further than that.

[Yao] S. M. Yao, HONG KONG ECONOMIC TIMES. We just heard that we will have visa free for the SAR [special administrative region] passport holders. [sentence as heard] And, at present, officially, the British passport holders — I mean the Hong Kong ones — will not need to have a visa to land in Britain. But your government and the immigration authorities of Hong Kong advise the people of Hong Kong to take a visa first. So will you apply the same sort of policy towards the SAR passport?

[Major] Well, in future, people with an SAR passport certainly will not need a visa when they are coming to the United Kingdom. That is not a short term



position; that's the position that I announced today. That wasn't the position before today. It is the position after today. I think it will make a material difference, a beneficial difference, to many people who visit the United Kingdom from Hong Kong. Nobody should sniff around and try to find something in the undergrowth that isn't as it appears on the surface. What I said this morning should be taken at its face value. Visas will not be required by holders of an SAR passport visiting the United Kingdom.

[Yao] How about the BNO [British National (Overseas)] holders...

[Patten, interrupting] One at a time. Francis Moriarty.

[Ma] Stanley Ma from HONG KONG METRO NEWS. There have been...[Patten interrupts] Stanley Ma. Or are you Francis Moriarty?

[Major] Are you Francis Moriarty. No carry on, carry on.

[Ma] There are many persons and organizations in Hong Kong who are currently promoting democratic movement of China. But you have been promising to give to minorities and UK after 1997. [sentence as heard] What about that vulnerable group after 1997. Of course they have every opportunity to be repressed by the Chinese Government.

[Major] Well, I think if you look at the commitments we've got in the Basic Law and the Joint Declaration...[pauses] I know people are concerned; I understand the concern that people will have over the changes that are to come. If I may say so, although we have had differences with China from time to time over the Joint Declaration and the Basic Law, they have in essence been difference of interpretation over what was meant by the Joint Declaration and the Basic Law. And I think it is wise to understand that it has been difference of interpretation, not what both sides could clearly see was a breach of the Joint Declaration that have been the points at issue. I understand the concerns that people fear about persecution. I have to say that I think those fears are greatly overdone. Where we have seen a potential risk, we have acted.

What I would say more generally on the subject is simply this. Those sort of fears sometimes arise because people have the impression that, after 1997, in some curious way Hong Kong is going to be entirely on its own. But if there is an open city anywhere in the world, upon whom the eyes of the world are constantly fixed — if there is a more open city than Hong Kong — I cannot myself imagine where that city might be. This is the gateway to the whole of Asia, the trade and commercial gateway for the whole of Asia. It is very much in the

interest of Hong Kong that it remains that way. But more relevantly, from the point of view of your question, it is very much in the interest of China that it remains that way. And I think that people often imagine that the sheer impact of the world looking at Hong Kong and the sheer impact of the nature of Hong Kong is not going to have any effect upon the future after the end of June 1997. I do not myself believe that, and I think that the fears that you have raised are unfounded.

[Patten] The real Francis Moriarty.

[Major] Are you sure? Can you guarantee it?

[Patten] We'll find out from the questioner.

[Moriarty] Francis Moriarty, Radio-Television Hong Kong. Prime Minister, a subject not on your list of five. You say Hong Kong is not alone, but when Mr. Rifkind was here he suggested that, when it came to solving the boat people question, it was a Hong Kong question. If I could just for a moment go back to your last press conference in Hong Kong in 1991, in which you said: we are discussing regularly, we — I mean the British Government and the Hong Kong Government. You go on several times to talk about we and us. So the question is where, when it comes to the Vietnamese boat people, does the British responsibility end and the Hong Kong responsibility begin?

[Major] You're quite right, it was the real Francis Moriarty.

[Hong Kong RTHK 3 abruptly ends transmission of the news conference]

#### **Hong Kong: Continuation of Major's 4 Mar News Conference**

*HK0503090096 Hong Kong RTHK Radio 4  
in English 0939 GMT 4 Mar 96*

[News conference held by British Prime Minister John Major and moderated by Hong Kong Governor Chris Patten to foreign and domestic reporters at Government House; live]

[PTS Transcribed Text for FBIS] [Major] The Vietnamese boat people, if I can take a little bit of history to that, it was very soon after my visit in 1991 that activity on the boat people began to accelerate there was clearly a need for decisions to be taken, I agreed with that, the Governor agreed with that, progress began to be made. Progress was proceeding very satisfactorily with volunteers, non-refugees, returning back to Vietnam, until it was what I think might deftly external intercession from across the water, and I do not mean by that the United Kingdom, I spoke to the Prime Minister to see how we can accelerate this process. The

objective would be to deal with the problem before June 1997, that is the objective. Satisfying that objective is not wholly in British hands. That is the objective that I see. With that in mind, I agreed with the Vietnamese Prime Minister, that I would send British officials immediately from London to Vietnam to discuss how we might re-accelerate this program. The reason that I am sending officials first, is that I will be sending a minister a foreign minister to Vietnam in April and I want the preliminary ground clearing work done in advance of that, so that we may deal compassionately, sensitively, but specifically and comprehensively with the problem of the non-refugees who are still here in Hong Kong in camps. So I do see a role for the British government, we played one we played a role before. I see a role for the British government, the Hong Kong government and the Vietnamese government I do not see quite such a role for individuals elsewhere, but for those three groups I do see a role and we are acting to see if we can get this program moving again satisfactorily.

[Mike Bronson] In your speech you mentioned, in passing, that if necessary you would be prepared to take legal action, if China is in breach of the Joint Declaration. Will you underline that again, but on the other hand do you not think that that is likely to anger Beijing, as much as it might reassure those people here.

[Major] We are not in the business of angering anyone. We had... we had significant discussions and negotiations with the Chinese and that will continue to be the position. We are not in the business of angering anyone, but neither are we in the business of not making clear what the options are in certain circumstances. And I think it is right that everybody should know what the options are that might conceivably be pursued by the British government were it necessary to do so. And I stress that last point, were it necessary to do so and what we have said is that the breaches of the Joint Declaration we would have we the British government, would have a duty to pursue every legal and other avenue available to us. And what I reaffirmed at lunchtime today is that is precisely what we would do, we would pursue every legal and other avenue opened to us. And I hope that would be a clear reassurance to people who fear that there can with impunity be a breach of the Joint Declaration with no response.

[Kerry] Kerry Shakamura. Mr Major does that mean that you are going to sue China in the international court? If China is going to dismantle Legco?

[Major] Well, I set out precisely what I meant, I am not going to put further flesh on it, what I said was perfectly clear. [words indistinct] That we are prepared to guarantee [words indistinct] settlement if at any time

after July 1, 1997 they were to come under pressure to leave Hong Kong. It is the position, of course, that this group do not wish to leave Hong Kong, they are settled here, their business is here, their family ties are here. But they wish to be sure, they if they come under pressure to leave, that they will have a country to go to. Mr Chairman, from today they have that assurance.

[Major] There are consensus that would be met, we could do that and we will consider. We have put these arguments, arguments both of principle and of sensible practice at the highest levels of the Chinese leadership. Malcom Rifkind did so in Beijing in January I did so with Premier Li Peng last week. In response he confirmed China's commitment to key elements of the Joint Declaration but we reached no agreements on Legco or the Bill of Rights. We did not agree to disagree we just disagreed. We are not going to leave it there, we are not going to go on saying in public and private something we do not believe, we will say only what we do believe. We do not and we will not simply lie down and accept what we are told. Let me reiterate what Malcom Rifkind said to Legco in January "if there were any suggestions of a breach of the Joint Declaration we would have a duty to pursue every legal and other avenue."

[Unidentified reporter] What are some of the anxieties, for example, talking to the elected democratic party officials or talking to the governor here.

[Major] I think that would be very helpful, yes, I think they could. And I very much hope they will. If I may return to the point I made earlier over the last two or three years many issues that looked as though they were going to provoke huge dissent and maybe unbrokerable between Britain, Hong Kong and China have now been solved. So I think we may be well able to solve some of those matters that are of such concern to people at present. But yes, self-evidently it would help if there were a dialogue with Legco and a further comprehensive dialogue with the governor. And I would hope that there would be such a dialogue.

[Unidentified reporter] How much have you raised in the past few days for your Party in Hong Kong?

[Major] It not what I came here for, it is not what I have done, I did not come here for that purpose I have not discussed that purpose, it is not been on my agenda neither it crossed my mind or has it crossed my lips. The answer is that was not what I was here for. Is that clear enough?

[Unidentified reporter] But the bets that Martin Lee and the Legislative Council had with Malcom Rifkind



[Major] That has been paid. That Britain would not do anything about visa-free access, has been handed over.

[Major] The governor is holding that and I will take it back to the foreign secretary who is a Scot, has won his bet, and will receive his winnings.

[Unidentified reporter] Prime Minister how would you respond to critics at home in Britain in your own party, some perhaps in your own cabinet who are suggesting that the visa-free access for SAR [special administrative region] passport holders could be abused by potential political asylum seekers.

[Major] Well, I don't believe that it would have been honorable for us not to act as we have and I know anyone in my cabinet who going to dissent with that view because my cabinet has approved that view.

[Reporter from APPLE DAILY] Prime Minister, [words indistinct] Hong Kong people most of them will come back, unfortunately there was one Hong Kong people, who happened to be a gentleman who was not welcomed by Mainland China, they take away his reentry permit taken away, so can you guarantee to us, Mr Prime Minister, after 1997 that permanent residents of Hong Kong can come back to Hong Kong. Can you get any guarantee from China.

[Major] I am not quite sure of the facts of this particular case, I don't know where this journalists might be at the moment. I am always very protective of the interests of journalists, as the travelling party from United Kingdom will confirm. But I don't know the background to this, if it is seems as though there is some malpractice of some sort, clearly we would examine it and do what we could to help but without having the details of the particular case I would like to restrict my comment to that. I will make inquiries in to it, if you give the details to the governor I will look at it.

[Reporter from AFP] Are you aware Prime Minister of the political obstructions to granting more British passports to Hong Kong people, can you mention the moral imperative that Britain [words indistinct] do you think that Hong Kong has got everything it deserves in this regard.

[Major] We have tried to deal fairly with Hong Kong over the years, but the underlying premise of your question it seemed to me to be that one is coming to the end of a period in which Britain will have any interest in Hong Kong, that emphatically is not the case. The governor has been here representing as well as I think anyone could have done the interests of Hong Kong over the recent years. Going back even earlier the negotiations of the Joint Declaration was essential and the and the determination of Basic Law was essential in

the interest of Hong Kong essential that the rule of law continues, and I have been here to try and assist to solve some of the problems Hong Kong has. Yes, I believe we have dealt fairly and honestly and openly with Hong Kong and will continue to do so both in the short term and the long term.

[Gilley] Bruce Gilley, FAR EASTERN ECONOMIC REVIEW. You announced with great flourish the visa-free access to Britain, yet we all know that can be revoked within a matter of days if someone has questions raised by [words indistinct] so could you have offered some greater guarantee that visa-free travel requirement could somehow be maintained. What's to stop the British government from revoking it the moment some abuse is discovered?

[Major] Well, I don't see why we would be likely to do that I didn't have to offer a visa-free access now, I did so because I think it is in the interest of Hong Kong that we do so and I think it is in the interest of the United Kingdom that we do so for a raft of reasons as well, so I don't anticipate a short-term reversal of this. We have visa free access for other countries it would be fully true for you to say we could reverse visa free access for all those other countries but we have had visa free access for them for years it has been reversed. This is not an offer made in bad faith this is an offer made in good faith and it is an offer that is going to be maintained all visa free access around the world is upon that basis and that is the basis upon which I announced today. There is no need and no justification for people to poke around the undergrowth of this statement to see if there is some trick underlying it, there is no trick.

[Trevor Coward] from the SUN. Prime Minister a domestic question but one which may be of interest in this crown territory a number of PM [as received] back home have expressed concern about the royal family including one Minister of the Crown who has asked for a debate on the royal family and the future of the royal family, are you prepared to have one?

[Major] I have heard no such comments made myself, Trevor, and I am disinclined to comment on domestic matters, when I am so far away, without having heard the domestic debate. I will happily respond to it when I am back in the United Kingdom.

[Patten] So we can have one more question on Hong Kong.

[Unidentified reporter] Prime Minister could you just for the record explain to us, in your opinion would disbanding Legco equal a breach of the Joint Declaration?

[Major] I have said that, we believe the Joint Declaration should not be changed and is partly for that reason that



we have been arguing that Legco needs to go right the way through and I made it clear the damage that we believe would be done if Legco were to be disbanded, damage to not just Hong Kong and certainly to Hong Kong but also to China. And that's a point we have made to China and will continue to make repeatedly to China.

[Patten] Thank you very much indeed. Thank you Prime Minister.

**Hong Kong: Daily Publishes 'Extract' of British PM's Speech**

HK0503025896 Hong Kong SOUTH CHINA  
MORNING POST in English 5 Mar 96 p 19

["Extract" from speech by United Kingdom Prime Minister John Major to Hong Kong business leaders on 4 March]

[PTS Transcribed Text for FBIS] Hong Kong has changed greatly since my first visit over a quarter of a century ago. It has changed quite a bit in the 4 and 1/2 years since I was last here. But not changed for the worse. The doomsters, the gloomsters, always with us in this part of the world and elsewhere, have been proved wrong again and again.

There have been arguments, certainly. Arguments about principles, certainly. Arguments about things that mattered, of course. Arguments, but no disasters.

Hong Kong, as so often in its history, has defied the pessimists; indeed, it has defied the odds. You have shown that it is possible to prosper while standing up vigorously for your way of life.

Overseas investors flock here... because Hong Kong has the most important legacy that Britain has given to its former colonies across the globe, the rule of law.

You are all here, and your businesses and your families have thrived here, precisely because of the rule of law. You have been able to enjoy living here without interference from government; without harassment from the police; with the confidence that a contract, once signed, is a real contract, not just the beginning of year upon year of negotiation; with confidence in a fair and transparent legal process, in which no one is above the law; with confidence that the tendering process is fair and that all your companies can compete in an open market according to the same rules; and with confidence that there is that free flow of information which is so vital to market decisions.

You have benefited too from the work of the exceptionally dedicated civil servants of Hong Kong.

Who seriously doubts that if Hong Kong had not developed its laws and had not preserved its rights and its freedoms, its success as a world centre for business would be far less than it is today?

Twelve years ago the Chinese Government clearly recognised these important facts of life when it undertook, in the Joint Declaration, to maintain Hong Kong's laws, its rights, its freedoms, and the application here of the international human rights covenants.

Why did it do that? It was because it saw it was in its, China's, interests that Hong Kong should continue to thrive and develop as an international business centre.

It knew it was in this role that Hong Kong could best contribute to the spectacular modernisation of China. And they saw, wisely, that Hong Kong's formula for success was one that included — as vital ingredients, not optional extras — the rights and freedoms that the people, and the businessmen based here, had been guaranteed for years under the law.

We have been working with China in order to achieve a successful transition incorporating these elements. The road has not been smooth, but we have kept at it.

Chinese Foreign Minister Qian Qichen's visit to London in October last year and Foreign Secretary Malcolm Rifkind's visit to Beijing in January allowed detailed and businesslike discussions on all aspects of the transition. My own meeting with Premier Li Peng last week has confirmed our commitment to this process.

Our consistent aim has been to forge agreements which are clearly in the interests of Hong Kong.

There is still much to do. But a good deal has been achieved since the Joint Declaration of 1984: agreements on Hong Kong's membership of international bodies such as the World Trade Organisation; on the Court of Final Appeal; on the future of defence lands; on the network of international treaties applying to Hong Kong; and on agreements that the pessimists said, at the time, could not be done. And much else besides.

So the groundwork has been laid for the final phase of the transition.

The overriding priority in this period of the transition must be to maintain the rule of law, and ensure that it commands the confidence of the local community and the international community after 1997.

That has been the number one item on Mr Patten's agenda for the last 3 and 1/2 years. It is the number one item on the British Government's Hong Kong agenda over the next year and a half.

If the rule of law does not rule the market, you enter it only with the greatest of caution. Because you never know whether your contract will stick, whether your competitor has an inside track that you can't hope to compete with, or even whether you will find yourself arbitrarily detained in a commercial dispute.

But if you know that the market is ruled by law, you can commit yourself to it wholeheartedly.

It is why we believe, and will continue to believe, that the voice of the people of Hong Kong, plainly heard in free and fair elections in 1994 and 1995, must be respected.

We didn't suddenly dream up that proposition by ourselves. It was a central feature of the Joint Declaration, agreed by Britain and China, as the necessary underpinning for the confidence of the people of Hong Kong in the maintenance of their way of life.

We are quite clear that electoral arrangements, passed by the Legislative Council [Legco] in 1994, were and are wholly compatible with the Joint Declaration and the Basic Law.

Those elected by the people of Hong Kong in record numbers should be allowed to serve their full four-year term.

That is what Hong Kong people wish to see. That is what the world would wish to see.

We have insisted too, therefore, that the laws of Hong Kong should not be changed by decree in 1997, that the human rights of Hong Kong people must continue to be protected in every respect as they are now.

We have put these arguments, arguments both of principle and of sensible practice, at the highest levels to the Chinese leadership. Mr Rifkind did so in Beijing in January. I did so with Mr Li last week.

In response, he confirmed China's commitment to key elements of the Joint Declaration, but we reached no agreement on Legco or on the Bill of Rights.

We did not agree to disagree. We just disagreed. We are not going to leave it there. We are not going to go on saying, in public and in private, something we don't believe.

We will say only what we do believe. We do not and will not simply lie down and accept what we are told.

Let me reiterate what Mr Rifkind said to Legco in January: if there were any suggestion of a breach of the Joint Declaration, we would have a duty to pursue every legal and other avenue available to us.

But standing up for Hong Kong's way of life is not only a job for British ministers. If Hong Kong people want the undertakings made in the Joint Declaration and the Basic Law to be fully and faithfully honoured, they too will have to be prepared to stand up and say so. That goes for all walks of life.

Hong Kong businessmen have a special responsibility, not least because of the many opportunities you have to make these points to interlocutors in China.

And your interests will be directly affected if things go wrong. If you don't appear to care about the survival of Hong Kong's system — its rule of law, clean government and a free society — then others may draw the conclusion that they don't really matter. But, of course, they do.

British sovereignty will end on June 30, 1997. The flags will change. The British will no longer have colonial responsibility for Hong Kong. But Britain's commitment to Hong Kong will not end next summer. Far from it. The guarantees in the Joint Declaration extend for 50 years, until 2047.

That means we in Britain will have continuing responsibilities to the people of Hong Kong, not just a moral responsibility as the former colonial power, and as staunch friends of Hong Kong, but a specific responsibility as a signatory to the Joint Declaration.

We shall watch, vigilant, over the implementation of the treaty to which Britain and China have solemnly committed themselves. That treaty is, of course, registered at the United Nations. But it will not just be Britain which will be watching over the implementation of the Joint Declaration. We shall ensure that others are watching too. Hong Kong will never have to walk alone.

Every trading nation, every country engaged — politically, economically or commercially — with China and with the whole East Asian region, has a direct interest in Hong Kong's continuing success.

Every member of the international community, all Hong Kong's friends and partners around the world will be watching to see that the letter and spirit of the Joint Declaration are honoured, now, next year and for 50 years beyond. And we will be making sure they do.

Will Hong Kong continue to succeed? You have succeeded magnificently already, against all the odds. You have been an example to the world of what can be achieved by an open market economy.

It is your values, Hong Kong values, that are being copied around the world. It is Hong Kong that points the way in this region. "Made in Hong Kong" is stamped



these days on ideas and values: not just on toys and textiles.

So it matters that Hong Kong continues to succeed. It matters to Britain, to China, to the world.

For the next 16 months, people everywhere will be asking one question, over and over again: will it all survive? Will it all work? I am sure it will, sure with one caveat, with one qualification, to be honest — with one "it".

It will work and survive, as Chief Secretary Anson Chan Fang On-sang has said, if you remain true to yourselves, if you remain true to your values, true to the values which helped you create here, in this Chinese city, a community that is decent and prosperous, mightily successful and — the whole world hopes — abidingly free.

**Hong Kong: Visa-Free Entry, Sino-UK Cooperation Viewed**

*HK0503084396 Hong Kong WEN WEI PO in Chinese  
5 Mar 96 p A2*

[Editorial: "China, Britain Will Join Efforts To Introduce Special Administrative Region Passports"]

[PTS Translated Text for FBIS] Major announced publicly in Hong Kong yesterday that Britain will offer visa-free access to Hong Kong Special Administrative Region [SAR] passport holders. We welcome this announcement as it will be beneficial to Sino-British cooperation and Hong Kong's smooth transition. At the same time, it will help maintain and improve Sino-British ties.

As early as two months ago when British Foreign Secretary Ruskind was in Beijing, China officially urged the British side to offer visa-free access to Hong Kong SAR passport holders. The response from the British side at that time was that the matter had to be discussed by the cabinet and the Chinese side would be notified after results had been achieved through the discussion. When Major met with Premier Li Peng at midnight on 29 February, the British cabinet had reached a decision on offering visa-free access with SAR passports, which Major was to notify Li Peng of and then announce publicly during his visit to Hong Kong.

Following the meeting between Chinese and British leaders in Bangkok, Chinese Foreign Ministry spokesman Chen Jian said: "The heads of state of the two countries discussed the question of granting visa-free treatment for Hong Kong SAR passports. China takes an optimistic approach on the matter and it will be a wise decision for the British side to do so."

China had grounds to make such a judgment. First, the Chinese side had consulted West European countries and some Asian countries through diplomatic channels, and the West European countries responded that they were willing to grant visa-free access; second, the Chinese side had notified the British side, as Britain is a signatory of the Sino-British Joint Declaration, that China attaches great importance to its cooperation with the British side, and that therefore China is willing to see Britain become the first to offer visa-free access to Hong Kong SAR passport holders; third, visa-exemption is mutually beneficial and not a favor, British visitors to Hong Kong every year far surpassing the number of Hong Kong visitors to Britain, so which side benefits more from the move? If Britain refused to grant visa-free access to SAR passport holders, British travelers to Hong Kong would encounter the same trouble, which would be disadvantageous to maintaining British economic and other interests in Hong Kong; and fourth, if the British side stalled for time, China would make arrangements with other European countries for visa-free treatment.

Diplomatically, Britain is a slick nation and it certainly knew that it would suffer if the matter dragged on. Hence, an early announcement enabled it to take the initiative.

The visa-free offer is an administrative agreement, which does not require adoption by parliament. The prime minister has an absolute right to make such a commitment. Following a commitment, China and Britain can persuade other industrialized nations to follow suit. As more than 80 countries were willing to offer visa-free access to BDTC [British Dependent Territory Citizen] holders, if both China and Britain introduce the SAR passport to other countries, the popularity of the SAR passport will by no means be inferior to that of the BDTC. Details of the introduction of the SAR passport will be discussed in the Sino-British Joint Liaison Group.

On his arrival in Hong Kong, Major stated that he had not bargained with the Chinese side on the question of visa-free access. A spokesman for the Chinese side pointed out: On the question of transition of the legislature and human rights ordinances, China's position has not and will not change.

Facts have proved that it would be useless for the British to get entangled in meddling in the formation of the Hong Kong SAR under China's sovereignty after 1 July 1997. It is a foregone conclusion that the Chinese side will set up the SAR through the mechanism of the Preparatory Committee [PC]. For this reason, Li Peng said that China is full of confidence



in resuming the exercise of sovereignty over Hong Kong and in maintaining Hong Kong's prosperity and stability. Major listened to an account given by the Chinese side of China's policy toward Hong Kong, which included China's not sending any official to replace senior Hong Kong Government officials, the central government not taking a penny from Hong Kong taxpayers, and China having confidence in Hong Kong's future. The Chinese side will rely on its own efforts to form the SAR, but this does not mean that cooperation with the British side will be ruled out. Moreover, the Chinese side will be true to its word.

After meeting Major yesterday some Hong Kong politicians who oppose the Basic Law said that they "were disappointed" with Major for not ensuring the transition of the 1995 Legislative Council to 1999. Naturally, these are grievances of those who are ignorant of the situation and who lack legal sense. The meeting between Chinese and British leaders was pragmatic. As the Conservative government is striving for support from British businessmen, it will naturally want to warm up Sino-British ties.

At a time when only some 400 days remain before 1997, Sino-British cooperation and handling of affairs in light of the Joint Declaration and the Basic Law will be conducive to a smooth transition and transference of political power. At a time when Britain is vigorously developing its Far East diplomacy, those insisting on "creating trouble" should have a clear understanding of the general situation, know that the outcome is a foregone conclusion, and think carefully about their future. In the 400-plus days left to 1997, Hong Kong people should vigorously support the work of the PC so as to ensure a smooth transition in politics, economy, banking, finance, and the judiciary. So long as we unite as one and strengthen contacts with the interior, we will certainly be able to carry out the work on schedule in the latter stage of transition. Cooperation offered by the British side is its commitment made in the Joint Declaration. Good Sino-British cooperation will also benefit the British side tremendously.

#### **Hong Kong: Ethnic Groups Play Down Major's Sanctuary Promise**

*HK0503052296 Hong Kong SOUTH CHINA  
MORNING POST in English 5 Mar 96 p 3*

[By Jonathan Hill]

[PTS Transcribed Text for FBIS] Ethnic minority groups attacked Prime Minister John Major for failing to "remove the underlying anxiety" after the handover by not addressing the issue of their citizenship.

And the groups played down the promise of sanctuary in Britain if China forced them out of Hong Kong.

"We expected better than this. There is nothing new about Major's guarantee. I am disappointed," said K. Sital, head of the Council of Hong Kong Indian Associations.

"That statement is already old," he said, as British politicians had made the same assurance to Hong Kong minorities years ago.

The Indian Resources Group said that while it appreciated the Prime Minister's mention of the issue, his remarks did not address the concern of the affected minorities.

"The guarantee does not clearly define conditions under which a future British government will honour its obligation," the group said.

"What constitutes pressure to leave Hong Kong may have a different interpretation to a Home Office mandarin than to an affected individual."

Group spokesman Ravi Gidumal said: "If you acknowledge you have a problem, then deal with it properly. We are not a political football. Don't kick us around."

There was also no assurance that a future British Government would act with any necessary sense of urgency in determining when this guarantee could be acted on, the group said.

"After more than 100 years in Hong Kong as loyal citizens of the British Empire, we deserve better treatment," said Mr Sital.

Krishan Bihari Rathi, secretary-general of the Council of Hong Kong Indian Associations, questioned what would be considered "pressure" to leave.

"Are they political, commercial or personal factors?" he asked.

Minority groups said they would assess the precise size of their community as part of a fresh bid for full British citizenship.

An Executive Council [Exco] sub-committee on nationality offered to help research such statistics for them.

At least 3,000 people, including Indians, Pakistanis and Malaysians, are expected to become stateless after 1997.

Many ethnic minority families have lived and worked in Hong Kong for generations and given up other passports to do so.

Mr Gidumal was finalising a report for Exco on his recent lobbying trip to London where he appeared before the House of Lords.

The Indian Resources Group will try to gain support from "sympathetic" Conservative Party members and continue to work closely with the opposition Hong Kong spokesman, Derek Fatchett.

**Hong Kong: Consulates React to UK Visa-Free Access Decision**

HK0503055896 Hong Kong WEN WEI PO in Chinese  
5 Mar 96 p A12

[Report: "Consulates in Hong Kong of Several Countries Welcome Visa-Free Access to Britain for Special Administrative Region Passport Holders"]

[PTS Translated Text for FBIS] Following in the footsteps of Singapore, the first country that agreed to visa-free access for Hong Kong Special Administrative Region (SAR) passport holders, British Prime Minister John Major yesterday finally announced the decision on visa-free access to Britain for Hong Kong SAR passport holders. The consulates in Hong Kong of several countries one after another expressed their welcome and their attitude of concern [guan zhu di tai du 7070 3137 4104 1966 1653].

The Office of the European Union in Hong Kong stated that it is believed that the British decision in question will play a positive role among European Union member countries; nevertheless, a specific decision has to be made by each member country.

Spokespersons of the consulates of Japan, the ROK, and Sweden stated that this action by Britain provides positive information on the SAR passport; beyond doubt, that will be conducive to their own consideration of the matter.

The French Consulate stated that it is studying whether or not this action will result in visa-free access to all European Union countries for SAR passport holders in accordance with the Schengen Convention, and the possible effects.

As to the consulates of Canada, Poland, Malaysia, and Fiji, they said that they will give close attention to the issue.

The United States Consulate General Hong Kong issued a statement: First, the United States Consulate General Hong Kong has already received a sample of the SAR passport, which was relayed to the U.S. Department of State. It is estimated that the U.S. Department of State will soon issue a statement on the decision on the passport in question. Second, according to U.S. law, the provision of visa-free access to the United States for a particular country or region must take into consideration the rejection rate of applications for visas from that country or region being lower than 2 percent in two

consecutive years; at the same time, the rate of persons from that country or region staying in the United States with invalid visas or in violation of regulations must also be quite low. Such being the case, with respect to the SAR passport, a decision will be made after the United States Consulate General Hong Kong has collected related statistics for some time in the wake of SAR passports being used.

**Hong Kong: Editorial on Major's 'Regrettable, Unwise' Remarks**

HK0503082296 Hong Kong TA KUNG PAO  
in Chinese 5 Mar 96 p A2

[Editorial: "Hear What John Major Has Said"]

[PTS Translated Text for FBIS] Yesterday British Prime Minister John Major announced in Hong Kong that the British Government had made an arrangement for granting Hong Kong Special Administrative Region (SAR) passport holders visa-free access to Britain after 1997.

Although this is belated news, Britain has nevertheless positively responded to China's numerous calls and Hong Kong people's strong demands and, therefore, this should be welcome.

In fact, the British arrangement for granting Hong Kong SAR passport holders visa-free access is a mutually beneficial measure. It is not bestowed as a favor. The Chinese side has repeatedly pointed out: Increased Sino-British cooperation on the Hong Kong issue will benefit not only Hong Kong and China but also Britain. It is only after the British Government has gained a certain understanding of the truth that it has decided to grant Hong Kong SAR passport holders visa-free access.

In the 400-odd days before the changover of sovereignty in 1997, China and Britain still have to cooperate on many aspects of Hong Kong affairs. In line with the spirit of "setting eyes on long-term interests and facing the future, respecting each other and seeking common ground while reserving differences, developing cooperation on the basis of equality and mutual benefit, and abiding by agreements and strengthening consultation," the British side should improve and develop relations with China so as to promote Hong Kong's stable transition and smooth handover of power.

It is regrettable that at the luncheon party and news conference yesterday, John Major talked glibly about the questions of a through train for the Legislative Council and the Bill of Rights Ordinance. He also said that if there were to be breaches of the Sino-British Joint Declaration, the British Government would mobilize forces in the international community and handle them



through every legal and other avenue available. It is very unwise [hen bu ming zhi 1771 0008 2494 2535] for Major to make this remark at this time and in this place and it is likely to cast a shadow on improving Sino-British relations.

Facts in the past dozen years or so since the signing of the Sino-British Joint Declaration have proven that the Chinese side has consistently upheld the Joint Declaration and that it is the British side rather than the Chinese side that has breached the Joint Declaration. In particular, soon after his arrival in Hong Kong, Chris Patten obstinately pursued the "constitutional reform package" that violated the Sino-British Joint Declaration, the principle of converging with the Basic Law, and the agreements and understandings that China and Britain had reached. Thereafter, the British side went farther down the erroneous path of violating the Joint Declaration. It was not until last October, after repeated urging from the Chinese side, that the Chinese and British foreign ministers reached a four-point consensus, bringing about momentum for improvement in Sino-British relations.

The last Legislative Council of the British Hong Kong authorities is an outcome of Patten's "three-violations" package, and the "through train" arrangement as originally designed has been deliberately disrupted [po huai 4275 0975] by the British side. The decision of the National People's Congress Standing Committee that the post-1997 constitutional structure of the Hong Kong SAR must be reorganized is a measure aimed at safeguarding the Joint Declaration and the Basic Law. It has been firmly decided and nobody can change it.

After the signing of the Sino-British Joint Declaration, the British Hong Kong Government formulated the Bill of Rights Ordinance which has an overriding status and, basing itself on this, substantially amended many existing laws and regulations that do not contravene the Basic Law, thus damaging [po huai 4275 0975] Hong Kong's legal system and thoroughly violating the principle laid down in the Joint Declaration that Hong Kong's "existing laws will basically remain unchanged." The legal sub-group of the Preliminary Committee, which made first-phase preparations for the establishment of the Hong Kong SAR, put forward its views on dealing with the Bill of Rights Ordinance and some of the laws which were amended according to the ordinance and which contravene the Basic Law. This is precisely aimed at safeguarding the dignity of the Joint Declaration. China's attitude on this will not change either.

If the British side attempts to mobilize forces in the international community to interfere in China's internal affairs and obstruct [gan rao 1626 2371] the operations

of the future SAR Government, it will surely run into a stone wall.

It can be clearly seen that a major task of Major's trip to Hong Kong is to encourage [da qi 2092 3049] Patten and, at the same time, to back up [cheng yao 2300 5212] Lee Chu-ming [Martin Lee] of the Democratic Party. Not only has he highly praised the electoral arrangements which were controlled by Patten and were purposely designed for Martin Lee and other pro-British and anti-China people, but on public occasions he has also spoken glowingly about his political connections and friendship with Patten and Patten's "devotion to the accomplishment of his mission" in the past three and a half years, saying that Patten's arrival in Hong Kong was "a great loss to his government but an enormous benefit to Hong Kong's society." At a welcoming banquet held in the Government House in honor of John Major, Democratic Party leader Martin Lee was seated at the same table with Major. This is an indication of support for Martin Lee.

These facts cannot but make people draw the conclusion that the British Government has not changed its erroneous policy toward Hong Kong.

The British side frequently talks about its moral obligation toward Hong Kong. This time John Major has touched on this point many times, saying that "Britain's commitment to Hong Kong will not end next summer" and that he "believes that the political, economic, and emotional ties between Britain and Hong Kong will live long after 1997." We should like to ask, what right does a country which plundered China's territory Hong Kong with gunboats and has enforced colonial rule for a century and a half have to talk about moral issues to Hong Kong people? Can Hong Kong people put up with the colonial "politics" and "emotions" and let them "live long" in Hong Kong?

Here we would like to quote what Vice Premier and Foreign Minister Qian Qichen said in London: The smooth handover and stable transition of Hong Kong's political power in 1997 will provide to all countries in the world a model for successfully and peacefully resolving issues left over from the past and, at the same time, it will mean the eventual end of Britain's era of colonial rule for which it will receive a favorable comment before world public opinion. It is hoped that the British Government will think over these remarks. It should not seek to extend its colonial rule but should make an effort to end its colonial rule with dignity.



**Hong Kong: Daily Addresses Major's 'Speech of Substance'**

HK0503070496 Hong Kong SOUTH CHINA  
MORNING POST in English 5 Mar 96 p 1

["Analysis" by Chris Yeung]

[PTS Transcribed Text for FBIS] It was billed as the most important speech a British politician had made on Hong Kong, in Hong Kong, for years. For once, the build-up was not exaggerated.

If for nothing else, Mr Major's address would have been significant as probably the last by a visiting prime minister.

As it is, his announcement of visa-free access for SAR [Special Administrative Region] passport holders to the UK, plus the welcome news on war widows and ethnic minorities, made it a speech of substance.

While acceptance of visa-free access was expected, the surprise change of stance on ethnic minorities and war widows helps end a protracted row which jeopardised British aims for a glorious exit from the last jewel of empire.

After all, the political and practical cost of Mr Major's generosity was negligible, with the number of people involved very few.

As far as visa-free entry is concerned, Britain had little option but to acquiesce.

As Chris Patten conceded, it was the single most important decision left for Britain on Hong Kong. Failure to allow it would have been seen by the local and international communities as a huge vote of no-confidence in the territory's post-1997 future.

To the Governor, it was also a matter of political life and death. His already sagging credibility would have been dealt a fatal blow if he had not been able to deliver.

But most significantly, a snub by London would have been a devastating blow to improving Sino-UK relations in the final days of the British-Hong Kong administration.

Yesterday's announcement will certainly have been welcomed by Beijing as a goodwill gesture and a boost to future co-operation.

It would be wishful thinking, though, for people to believe that Beijing will now reassess its intention to dissolve the Legislative Council and water down the Bill of Rights.

China has made clear that its decisions on both are irrevocable, and no amount of improved Sino-UK relations will change that.

All London can do now is continue pressing Beijing on the issues, and be seen doing so, until June 30 next year.

That does not change the reality, but at least it allows Britain to walk away with a little of the dignity it regained with Mr Major's speech yesterday.

In the meantime, it proves once again that the best people to speak up for Hong Kong and Hong Kong values are already here, not in London or Beijing.

**Hong Kong: Major's Visit Called 'Qualified Success'**

HK0503071296 Hong Kong SOUTH CHINA  
MORNING POST in English 5 Mar 96 p 18

[Editorial: "Pledge of Honour"]

[PTS Transcribed Text for FBIS] John Major should consider his visit a qualified success. Qualified because he stopped far short of recognising the full extent of Britain's moral obligations towards the citizens of Hong Kong. But a success because, just for once, a visiting minister did not fail to live up to expectations. Indeed, he exceeded them. Both on nationality issues, where his concessions went much further than expected, and on Britain's post-1997 obligations to the territory, Mr Major struck an impressive tone.

**Duty**

After the trade-obsessed approach of Deputy Prime Minister Michael Heseltine, whose evasiveness so angered legislators during their recent visit to London, it was refreshing to hear yesterday's pledge that Britain "would have a duty to pursue every legal and other avenue available to us" if the Joint Declaration is broken.

That is valuable. Not because it is likely to prove necessary. A reference to the World Court remains a remote prospect, especially given the more conciliatory tone of mainland officials in recent months. Its importance lies in the reassurance such a pledge provides that, in the unlikely event things did go wrong after the handover, Britain would not wash its hands of the problem.

As Mr Major reminded his business audience during yesterday's luncheon speech, there is much they can do to help avoid such a doomsday scenario. The list of freedoms he recited, from a fair and transparent legal process to the free flow of market-sensitive information, are too often taken for granted. So Mr Major was right to note how vital these are to Hong Kong's survival as an international business centre. Those whose views are respected in Beijing would do the community a service if they reminded Chinese leaders of this on every possible occasion.

On nationality, the granting of visa-free access was expected. However much hardliners in London fought against this, the risk of retaliation against British nationals in Hong Kong made it impossible to reject such a step. But the granting of UK passports to war widows was a welcome surprise. The tardiness of this concession can be justly criticised, as can the fact it will still be left to a private members' bill to implement. Nonetheless it represents a major U-turn on an issue where the Home Office has, for nearly a decade, shamelessly refused to give any ground. That can only have come about because of direct Prime Ministerial intervention. For this, Mr Major is to be congratulated.

Unfortunately, he still refuses to recognise London's parallel obligation to Hong Kong's ethnic minorities. There may still be no passports for these people, but in offering them a "cast-iron guarantee" that any forced to leave Hong Kong can settle in Britain, an improvement on previous vaguer pledges, Mr Major has moved a step in the right direction. He has also tacitly admitted that the issue remains unresolved, and so opened the door to renewed pressure for further concessions.

#### Goal

Governor Chris Patten, whose lobbying in London can be credited with helping bring about yesterday's good news, must take advantage of this. His goal should remain UK passports for all who otherwise risk becoming stateless. But, as an immediate next step, he could take up Mr Major's offer to consider giving detailed criteria under which this pledge can be invoked, and insist on these being set out in writing to all those potentially affected.

Hong Kong's expectations of Britain tend to be justifiably low at this late stage in the transition. Most visiting ministers only tend to reinforce this impression. So Mr Major can feel satisfied that his visit has proved a rare exception to the rule. Instead of prompting expectations to sink still further, he has rekindled some faith that Britain will not entirely forget the territory after the handover.

#### Hong Kong: Editorial Welcomes UK Action on Visas

HK0503071696 Hong Kong EASTERN EXPRESS  
in English 5 Mar 96 p 11

[Editorial: "Major Sends a Signal To Beijing"]

[PTS Transcribed Text for FBIS] The announcement by the British Prime Minister John Major, of visa-free entry to Britain for holders of the special administrative region [SAR] passport is the first piece of welcome news about the transition that Hong Kong has heard for months.

This is particularly good for Beijing. It sends a signal to the outside world that Britain accepts and endorses the passport as one with status appropriate to the citizens of a prosperous, autonomous Chinese city, in control of its own destiny, and prominent among the financial centres of the free world.

In consequence, it is likely the United States, Commonwealth nations and Europe will follow Britain's lead. Hong Kong people are among the most internationally mobile in the world, and at last they have real cause to hope that their trouble-free globe trotting can continue.

Now it is China's turn to make a long-overdue gesture to bolster confidence here. The Beijing mandarins cannot afford a repeat of incidents such as that over the Lutheran Church assembly, if they truly wish to retain some credibility surrounding their pledges to Hong Kong. That small but telling story made news around the world, causing widespread consternation far beyond these shores.

Everything China has done in recent months has served to depress international confidence in the city's future. If they are genuine in their promises about Hong Kong people governing Hong Kong, why persist in trying to interfere in purely domestic matters such as the budget?

Most destructive to their own interests is their obsession about dismantling the elected Legislative Council [Legco]. The signs are that the mainland leadership is beyond the reach of reasoned argument in this regard, but they must realise that such an action will send out counterproductive signals to the world.

With SAR passports given first ranking by Britain, it is up to Beijing to follow with a move that confirms its commitment to Hong Kong's autonomy. That is the linchpin on which future prosperity revolves.

If the world can believe that the city will continue to live by the rule of law, run its own affairs unimpeded by interference from Beijing, that human rights will be respected and freedom of the press and freedom of assembly will remain unchallenged, then the change from one sovereign to another should not be too traumatic.

While China remains fixed in its determination to disband Legco, however, it is showing disdain for the will of the people, and on that basis, there cannot be any genuine appetite for unity. Britain's decision is both a helping hand to Hong Kong and a warning to China that it must live up to its commitments.

Cynics, or possibly realists, may take the view that there was a large degree of self-interest in the British decision. Had Major's government decided otherwise, they may



say, China would have retaliated and British business interests would have taken a severe knock.

That was undoubtedly a factor that carried weight, but it cannot have been the main one. There is a backlash against immigration because of a mounting problem caused by migrants falsely claiming refugee status for economic reasons. Many MPs opposed visa-free status for the SAR passport on those grounds.

Major's government is fighting for survival, and this is not a move that will win them great acclaim from an electorate that feels the same way about the flow of immigrants as Hong Kong feels about the Vietnamese boat people.

Therefore it is only right to give Major some credit for acting in Hong Kong's interest. Indeed, it was a moral obligation, but such matters do not always take priority when elections are in the offing. It is wonderful news that he is giving British citizenship to the war widows, but Britain would have lost every semblance of honour had it not done so.

Credit for that goes to the indefatigable Jack Edwards, plus a small pat on the back for the Governor, Chris Patten, who supported the ex-soldier's campaign. Calling Edwards into Government House to hear the news from the Prime Minister was a master-stroke, and a well-deserved accolade for a true crusader.

If only the Chinese leadership had a similar instinct for public relations. Instead, they carp and criticise, talk of "leniency", and come in and out of the territory grim-faced, refusing to meet the governor or ordinary people.

There are fewer than 500 days left for Beijing to revamp its image, and convince people there is nothing to fear. The future remains uncertain because an exercise of this nature has never been attempted before; although in effect Hong Kong is an autonomous city now. If it is allowed to continue in that way, there is reason for hope.

Will China take the step that can turn hope to certainty and leave Legco alone?

**Hong Kong: Major's 'Resoluteness' on Visa-Free Entry Noted**

HK0503071796 Hong Kong HONGKONG  
STANDARD in English 5 Mar 96 p 12

[Editorial: "Major Move Saves Britain's Honour"]

[PTS Transcribed Text for FBIS] John Major couldn't have been clearer yesterday: "We have decided that holders of SAR (Special Administrative Region) passports will not — will not — be required to obtain visas

for visits to Britain after 30 June 1997. There will be visa-free access."

His resoluteness was in contrast to all the years of weasel words and humming and hawing that Hong Kong people have had to endure on the question of visa-free access to Britain. [sentence as published]

It may sound churlish but the fact is that, regardless of how welcome yesterday's announcement was, few in Hong Kong feel that this couldn't have been done years ago.

Britain has traditionally been reluctant to tinker with its immigration laws for fear not only of opening the floodgates in Hong Kong but also of paving the way for a rash of potential asylum-seekers from the mainland.

But the fact remains that Hong Kong is still British. London still has a moral and commercial responsibility for this place that must be fulfilled.

The good news for Hong Kong is that it will now be fulfilled.

This is not a case of people claiming unique circumstances or seeking special privileges. Hong Kong people are just asking for fair treatment.

For years the redoubtable Jack Edwards has been seeking fair treatment for the approximately 20 widows of Hong Kongers who died while serving in the British Army during World War II.

To be more specific, he has been lobbying for them to receive British citizenship. Belatedly, this modest request has been granted. But once again we have to ask: "Why did it take so long?"

Unfortunately, the news was not so good for members of ethnic minority groups here who fear that they may become stateless after 1997.

Although Mr Major assured them that they could go to Britain, he added the weasel words "if they come under pressure to leave Hong Kong". But he was evasive when asked who would judge whether they were being pressured to leave the territory and what criteria would be used.

We have to accept that other countries will use their own criteria when deciding whether or not to allow visa-free access to SAR citizens. The truth is that Britain cannot speak for other countries; it can only speak for itself.

It had been expected that Britain would use the granting of visa-free travel as a bargaining chip in its negotiations with China.

The quid pro quo from Beijing would be to spell out exactly which categories of people will receive



permanent residence or right of abode here after the change of sovereignty.

Mr Major displayed a politician's sense of timing by making this announcement on the last day of what will undoubtedly be his last visit to Hong Kong before the handover.

The measures he unveiled concerned immigration but the criteria by which they will be judged in Britain are political.

Mr Major probably guessed the announcement would not be politically risk-free. If so, he was right. The measures have already been attacked by Teresa Gorman, a right-wing member of his own party.

There was bound to be grumbling on the domestic scene. But these complaints must be ignored. This was a step that had to be taken to demonstrate that Britain still has a sense of honour and is prepared to fulfil its moral and commercial obligations.

### **Macao**

#### **Macao: XINHUA Head Says 9th Plan FYP Conducive to Prosperity**

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in Chinese 0752 GMT 3 Mar 96*

[By reporter Che Yuming (6508 3768 2494)]

[FBIS Translated Text] Macao, 3 Mar (XINHUA) — Wang Qiren, director of the XINHUA Macao Branch, said on 2 March: Although the Ninth Five-Year Plan

[FYP] and the long-term target for the year 2010, to be discussed at the upcoming Fourth Sessions of the Eighth National People's Congress [NPC] and the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee, are not directly linked to Macao, the motherland's prosperity will provide a strong backing for Macao's economic and social development.

Before boarding a plane to Beijing with other CPPCC National Committee members from Macao to attend the Fourth Session of the Eighth CPPCC National Committee on the evening of 2 March, Wang Qiren said: On the basis of the Ninth FYP and the long-term target for the year 2010, the motherland's hinterland will become more prosperous and, thus, will provide a reliable guarantee for Macao's social stability and economic development.

He said: Although the Ninth FYP and the long-term target for the year 2010 do not cover Hong Kong and Macao, it is obvious that the hinterland's stable, healthy economic development will promote the stability, economic recovery, smooth transition, and other undertakings of Macao.

He emphasized: The Chinese side respects Portugal's administration of Macao until 1999, and will not implement the Ninth FYP in Macao. Nevertheless, NPC deputies and CPPCC National Committee members from the Hong Kong and Macao region will make many useful suggestions for perfecting the Ninth FYP and the long-term target for 2010.

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